

PAYROLL: NEED TO KNOW

■ *Your guide to UK payroll legislation and reporting*

Produced by the CIPP policy and research team

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Introduction

Payroll: need to know, has been produced by the CIPP Policy and Research team for the exclusive benefit of members. It contains all relevant payroll, pensions and reward *News Online* items and is indexed and categorised for easy reference. Each item is in date order (the most recent entry being at the bottom) to ensure you know you have the latest updates on any given subject.

Payroll: need to know is produced on a tax year basis and by the end of each tax year will be closed off and restarted with any significant live news items being carried forward to the following year's edition and then added to on a weekly basis with each edition of *News Online*.

Using the index is easy – find your topic of interest and CTRL + click will take you straight there.

The titles of new news articles added in the last fortnight are highlighted in blue to ensure that they will be clearly visible in the index.

If you have any comments or suggestions about *Payroll: need to know - your guide to UK payroll legislation and reporting*, please email policy@cipp.org.uk

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Contents

Apprenticeships	15
Guidance for apprentices, employers, training providers and assessment organisations in response to the impact of COVID-19	15
CIPP survey: The value of apprenticeships	15
Updated guidance on apprenticeship funding in England.....	16
Apprenticeship Levy – survey.....	16
Plan for jobs – Additional funding for apprenticeships	16
Guidance on expenses and benefits for apprenticeship bursaries for care leavers	17
CIPP Policy & Research.....	18
CIPP webcast: Coronavirus support measures	18
CIPP Survey: 2020 LPC annual review of minimum wage rates	18
CIPP Quick Poll: Coronavirus Job Retention Scheme online service	19
CIPP survey: The value of apprenticeships	19
CIPP Survey: 2020 LPC annual review of minimum wage rates	19
CIPP Survey: 2020 LPC annual review of minimum wage rates	20
CIPP QuickPoll: Returning to work after the coronavirus crisis	20
CIPP Webcast: National Minimum Wage refresh and update	21
Final call for the CIPP's survey on National Living Wage and National Minimum Wage rates for 2021	21
Payroll professionals – the CIPP's Policy and Research team want to hear from you!	22
QuickPoll results: 65% of payroll professionals have to manually override SSP records for COVID19 related incapacity.....	22
The CIPP's latest QuickPoll: Have you used the Digital Assistant whilst trying to understand and/or claiming through CJRS?	23
CIPP response to LPC consultation on National Minimum Wage rates for April 2021	23
CIPP webcast: Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS) update.....	25
The CIPP's Coronavirus Job Retention Scheme July – October 2020 factsheet is now available	25
The CIPP's future of the Self-Employment Income Support Scheme (SEISS) factsheet is now available	25
QuickPoll results: 47% of payroll professionals have not accessed HMRC's Digital Assistant for guidance on the CJRS	26
The CIPP's latest Quick Poll: How has working from home affected your productivity?	27
CIPP Survey: Tackling abuse within the Construction Industry	27
CIS survey reminder: Tackling abuse within the Construction Industry	28
CIPP Quick Poll: 46% of payroll professionals have been more productive whilst working from home	29
New CIPP Quick Poll: Would you be interested in additional Specialist Interest Groups?	29
Payrollers experiences of COVID-19 - CIPP's Survey.....	29
CIPP Quick Poll: How is your employer approaching a return to the workplace?	30
CIPP Survey - Tackling abuse within the Construction Industry - Final reminder	31
The CIPP's Carer's Leave Survey is now live.....	31
The Financial Conduct Authority (FCA) – Consultation on pensions, comparing the value of money of pension products and services for members.....	32
Payroll experiences of COVID-19 - CIPP's Survey – Reminder	32
Payroll Technician Certificate: Additional Content Survey	33
Reminder: The CIPP's Carer's Leave Survey is still live	34
New Quick Poll: Readiness for off-payroll working reforms	34
The CIPP's Quick Poll: More employers are making a return to the standard workplace mandatory as opposed to optional.....	35
Last chance to complete the CIPP's survey: the challenges of furlough at the frontline	35
Final call: The CIPP's carer's leave survey.....	36
CIPP Webcast: Summer Economic Statement 2020.....	36
Apprenticeship Levy – survey.....	37
Quick Poll response: Only 34% are ready for the off-payroll working reforms, due to be implemented from 6 April 2021	37
New Quick Poll: Opinions on lowering the default charge cap on DC workplace pension schemes.....	38
Reminder – survey on the Apprenticeship Levy	38
New Quick Poll: Are you planning to use the Job Retention Bonus?.....	38
Reminder: The Apprenticeship Levy survey is still open!	39
Quick Poll results: 48% of companies intending to use the Job Retention Bonus	39
New Quick Poll: The effect of the Job Retention Bonus on redundancies	40

Final Reminder: The Apprenticeship Levy survey is still open!.....	40
Webcast: Student Loans – a look to the future.....	40
Quick Poll results: 76% of businesses hoping to use the Job Retention Bonus confirm that it will have no impact on their immediate employment plans.....	41
New Quick Poll: Process changes due to eligibility criteria for the Job Retention Bonus.....	41
CIPP Survey: Employer’s National Insurance Contributions holiday for businesses employing veterans.....	42
Quick Poll results: 52% confirm that they have had to adapt their processes to ensure compliance with the CJRS and record checking due to the eligibility for the Job Retention Bonus.....	42
New Quick Poll: The biggest challenges payroll departments face when processing the December payroll.....	43
CIPP Survey - The Net Pay Anomaly: Call for evidence on pensions tax relief administration.....	43
Reminder: CIPP Survey: Employer’s National Insurance Contributions holiday for businesses employing veterans.....	44
The CIPP’s formal response: Tackling Construction Industry Scheme abuse.....	44
Reminder – CIPP Survey – The Net Pay Anomaly: Call for evidence on pensions tax relief administration.....	45
Reminder – CIPP Survey – Employer’s National Insurance Contributions holiday for businesses employing veterans.....	46
CIPP Quick Poll results: 83% of payroll professionals state that the shorter processing month in December is the biggest challenge they face in relation to the Christmas payroll run.....	46
New CIPP Quick Poll: Do businesses support employees through the longer pay period in January?.....	47
Final Reminder – CIPP Survey – The Net Pay Anomaly: Call for evidence on pensions tax relief administration.....	47
Winter Economy Statement - webcast.....	48
52% of businesses do nothing to support employees through the longer wait for January pay day.....	48
New Quick Poll: Accessing HMRC guidance online.....	48
57% of those accessing Gov.UK for guidance use a variety of resources.....	49
New Quick Poll: How many businesses are intending to use the Job Support Scheme?.....	49
FAQs: The Job Support Scheme.....	50
The CIPP’s response to the HMRC consultation: ‘Supporting veterans’ transition to civilian life through employment’.....	50
The CIPP’s response to HM Treasury’s consultation: ‘Pensions tax relief administration: call for evidence’.....	51
CIPP Quick Poll results: 56% of businesses not intending to use the Job Support Scheme.....	52
New Quick Poll: The homeworking allowance.....	52
Survey: The cost of administering holiday pay.....	53
41% of those working remotely have claimed the homeworking allowance on the Gov.UK portal.....	53
New Quick Poll: The impact of the extension to the CJRS.....	54

Coronavirus (COVID-19) 55

ACAS webinars on coronavirus for employers.....	55
Update to HMRC’s SSP guidance to include self-isolation.....	55
Collection of DEAs issued by DWP suspended.....	56
Public sector contractors will be eligible for the Coronavirus Job Retention Scheme.....	56
Guidance on the coronavirus Statutory Sick Pay Rebate Scheme published.....	57
Coronavirus Financial Support Details.....	57
DWP confirms the recovery of benefit overpayments has been suspended temporarily.....	58
What the delay to off-payroll working rules means for organisations and contractors.....	58
Guidance for apprentices, employers, training providers and assessment organisations in response to the impact of COVID-19.....	59
National insurance contribution settlement return form deadline extended.....	60
The Pensions Regulator (TPR) reminds us that pension duties continue even during a crisis.....	60
Statutory Sick Pay extended to individuals who are shielding.....	61
Deadline for filing Appendix 4 reports extended.....	62
Waspi women call for state pension access.....	62
Don’t miss the deadline for filing your self-assessment tax return in order to qualify for the Self-employed Income Support Scheme (SEISS).....	62
HMRC provides an update on the Coronavirus Job Retention Scheme.....	63
Coronavirus business support finder tool launched by the government.....	64
Rules temporarily relaxed to help businesses through the coronavirus crisis.....	64
Temporary pension rule relaxations for those returning to help fight the outbreak of COVID-19.....	65
The Statutory Sick Pay Rebate Scheme and state aid.....	65
The Treasury announces updates to tax policy consultation and calls for evidence as a result of COVID-19.....	66
COVID-19 transfer warnings will be issued by pension schemes to savers.....	67
Webinar – Easing the pension pressures during COVID-19.....	68
Guidance on the Self-employment Income Support Scheme Published.....	68
CIPP QuickPoll: Returning to work after the coronavirus crisis.....	70
Guidance on how HMRC will make calculations for grants from the Self-employment Income Support Scheme.....	71

The effect of COVID-19 on holiday entitlement and pay.....	73
Applications can now be made for the Self-Employment Income Support Scheme	77
The Pensions Regulator urges trustees to prioritise pension switches between Defined Contribution schemes	78
Filing deadlines and COVID-19	79
Temporary tax and National Insurance exemption for coronavirus-related reimbursed home office expenses ..	79
Scottish Government announces an additional £40 million of support for key sectors	80
Statutory Sick Pay (SSP) Rebate Scheme launched.....	80
Payroll professionals – the CIPP’s Policy and Research team want to hear from you!	81
Appendix 4 reporting deadline has been extended.....	82
Self Isolation due to Contact Tracing notification now a reason for SSP incapacity	83
EU Settlement Scheme Update	83
Temporary exemption to Income tax and NICs due on home office equipment due to COVID19 measures	84
Update on reporting Appendix 7A and 7B returns	84
Government publish details of the extended Self-Employment Support Scheme (SEISS).....	85
HMRC releases draft legislation introducing rules on the taxation of coronavirus business support grants	86
Employment Tribunals – New road map.....	86
The Treasury reveals business loan scheme statistics.....	87
The Resolution Foundation calls for higher pay and better conditions for low-paid workers.....	88
Quarantine when entering, or returning to, the UK in relation to SSP.....	89
Further dates for HMRC webinars to assist with COVID-19 support measures.....	90
Face coverings will become a mandatory requirement for those using public transport.....	90
CIPP webcast: Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS) update.....	91
Research suggests that work is negatively impacting employee wellbeing – and the COVID-19 crisis is exacerbating this	92
The CIPP’s future of the Self-Employment Income Support Scheme (SEISS) factsheet is now available	93
Introduction of VAT domestic reverse charge for construction services delayed.....	93
MaPS awarded extra £38 million to fund debt advice and other financial support for those affected by the outbreak of coronavirus	94
The CIPP’s latest Quick Poll: How has working from home affected your productivity?.....	94
Updates to guidance on the treatment of expenses provided to employees during COVID-19	95
Self-Employment Income Support Scheme (SEISS) updates	95
Late filing and payment penalties – HMRC Support	96
Withdrawal of ordering paper P45s and P60s from HMRC: postponement.....	97
The treatment of Direct Earnings Attachments during the coronavirus crisis.....	97
The Pensions Regulator updates guidance in relation to changes to the CJRS and how this will affect pension contributions	98
The NHS Test and Trace service and its effect on pay	98
The challenges of furlough at the frontline.....	99
Coronavirus payroll timeline now live	100
How does TUPE interact with the Coronavirus Statutory Sick Pay Rebate Scheme?	101
‘Shielding’ employees able to return to work from August.....	101
Downloading and accessing BACS reports during coronavirus.....	102
Update on the treatment of DEAs during the outbreak of coronavirus.....	102
Coronavirus pauses the government’s review of the net pay anomaly	103
Tax treatment of COVID-19 tests and Personal Protective Equipment	103
U-turn on tax treatment of coronavirus (COVID-19) tests.....	104
Payroll experiences of COVID-19 - CIPP’s Survey – Reminder	104
Updated guidance on the treatment of DEAs during the outbreak of coronavirus	105
There will be no requirement for face masks in offices.....	105
SSP entitlement for employees contacted via NHS test and trace	105
Exemption for the wearing of face coverings	106
SSP and COVID-19 – Returning from holiday.....	107
Eat Out to Help Out: briefing pack published.....	107
Further support to COVID19 impacted businesses	108
Job Retention Bonus – guidance published.....	109
Self-isolation period increased to 10 days for those who have symptoms or are diagnosed with COVID-19... ..	110
Statutory Sick Pay (SSP) ends for those who are shielding due to COVID-19.....	111
Working families affected by COVID-19 to be given additional support.....	111
Claims portal for the Eat Out to Help Out scheme to open on Friday 7 August.....	112
HMRC webinars and YouTube guidance on the Eat Out to Help Out scheme	113
Additional reason for payment of SSP from day one	113
Self-Employment Income Support Scheme soon to open for second grants.....	113

SSP and shielding	114
HMRC confirms a number of overpayments have been made through the Self-Employment Income Support Scheme	114
HMRC webinar: Self-Employment Income Support Scheme	115
CJRS and SEISS – latest statistics released.....	116
Quick Poll results: 76% of businesses hoping to use the Job Retention Bonus confirm that it will have no impact on their immediate employment plans	117
New Quick Poll: Process changes due to eligibility criteria for the Job Retention Bonus	117
Individuals self-isolating in high risk areas to receive government payment.....	118
An update on the Eat Out to Help Out scheme.....	119
Hands. Face. Space	119
Working from home? How helpful is your town or city?	120
Additional reason for payment of SSP – self-isolation prior to surgery	121
Local lockdown guidance – SSP for shielding	121
Boris Johnson announces new restrictions for England	121
Rishi Sunak unveils Winter Economy Plan	122
HMRC issues Job Support Scheme factsheet.....	123
Factsheet on the extended SEISS published	125
Deadline for applications to The Future Fund extended to 30 November 2020.....	125
New coronavirus fines for employers.....	126
The FCA updates guidance on identifying key workers.....	126
Reminder of the changes to the Self-Employment Income Support Scheme eligibility criteria for new parents.....	127
Bolton businesses now eligible for lockdown grants	128
Self-Employed apply online to HMRC to spread the cost	129
Guidance published on the Job Retention Bonus.....	129
Self-isolation payments and fines	131
Government announces new Job Entry Targeted Support programme.....	132
Treasury Direction made in relation to the JRB	134
The protected pension age easement will expire on 1 November 2020	134
Job Support Scheme expanded to protect jobs and support businesses forced to close	135
FAQs: The Job Support Scheme.....	135
Test and Trace self-isolation payments exempt from NI contributions	136
Prime Minister confirms three-tier approach to tackling coronavirus	136
Applications for SEISS grant two to close on 19 October 2020	137
CIPP Quick Poll results: 56% of businesses not intending to use the Job Support Scheme	137
Job Retention Bonus factsheet.....	138
Further support for businesses and workers announced by Rishi Sunak	139
Job Support Scheme Open and Job Support Scheme Closed	140
The latest coronavirus-related statistics published	141
Establish which areas are in which COVID alert level for the purpose of the Job Support Scheme	142
Childcare support still available if incomes fall below the minimum threshold	142
HMRC webinars: Coronavirus-related measures and the Statutory Sick Pay Rebate Scheme.....	143
Coronavirus Statutory Sick Pay Rebate Scheme: Update	144
HMRC webinar: extension to the Self-Employment Income Support Scheme	144
SEISS extension increased for November 2020.....	144
Self-Employment Income Support Scheme (SEISS) Grant Extension	145
Further extension to the Self-Employment Income Support Scheme	145
The Statutory Sick Pay extension in Wales	146
Coronavirus Job Retention Scheme (CJRS).....	147
CIPP webcast: Coronavirus support measures	147
Coronavirus Job Retention Scheme Guidance Updated	148
HMRC confirms that the online service for reclaiming wages under the CJRS is due to be launched on 20 April	148
Answers to many questions on Coronavirus Job Retention Scheme (CJRS).....	149
Latest update from HMRC – Interaction with SSP, furlough and Coronavirus Job Retention Scheme.....	150
Claiming for furlough payments – what you will need.....	151
Rishi Sunak makes a Treasury Direction in relation to the Coronavirus Job Retention Scheme	152
Further updates to Coronavirus Job Retention Scheme guidance	153
Furlough scheme extended until end of June	154
Guidance on how to calculate wage figures through the Coronavirus Job Retention Scheme	155
Coronavirus Job Retention Scheme online service launched.....	162
Online calculator for use with calculating CJRS claims available	163
Reporting Coronavirus Job Retention Scheme fraud and being alert to scams.....	164

TPR guidance on calculating pension contributions where there is a salary sacrifice arrangement for the CJRS	165
CIPP Quick Poll: Coronavirus Job Retention Scheme online service	166
The effect of COVID-19 lockdown on job vacancy levels	166
Updates to Coronavirus Job Retention Scheme Guidance -23.04.2020	167
HMRC provides further clarity in relation to National Insurance numbers and furloughed employees	168
How and when to report payments to HMRC made to employees under the Coronavirus Job Retention Scheme	169
Furloughed employees, intending to take paid parental or adoption leave, are entitled to statutory pay based on usual earnings	170
Guidance for calculating statutory parental pay for furloughed employees	171
Update to guidance on claiming for wages through the Coronavirus Job Retention Scheme	172
Latest publications of guidance on Coronavirus Job Retention Scheme	172
Incorrect refusal of Coronavirus Job Retention Scheme Support	173
Updates to Coronavirus Job Retention Scheme guidance – 14.05.2020	173
Reports of ‘Furlough Fraud’ on the rise	175
Latest CJRS claim figures	175
Coronavirus Job Retention Scheme guidance updates for week ending 29 May 2020	176
Government publish details of the extended Coronavirus Job Retention Scheme	177
CIPP webcast: Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS) update.....	178
The CIPP’s Coronavirus Job Retention Scheme July – October 2020 factsheet is now available	178
What happens if an employer over-claims through the Coronavirus Job Retention Scheme?	179
Deadline for placing employees on furlough fast approaching	179
QuickPoll results: 47% of payroll professionals have not accessed HMRC’s Digital Assistant for guidance on the CJRS	180
Latest figures reveal that 8.9 million jobs have been furloughed	181
Parents returning to work following a period of parental leave will be eligible for the Coronavirus Job Retention Scheme	181
Reporting Furlough Fraud.....	182
The Coronavirus Job Retention Scheme for individuals receiving direct payments.....	182
Coronavirus Job Retention Scheme guidance updates.....	184
The future of the Coronavirus Job Retention Scheme webcast - take two	186
Coronavirus Job Retention Scheme (CJRS) phase 2 frequently asked questions	186
CJRS new template available to download when claiming for more than 100 employees	187
Check which employees you can put on furlough to use the CJRS – updated to include Military reservists returning after 10 June 2020.....	187
Bosses are urging employees to commit ‘furlough fraud’	187
Coronavirus Job Retention Scheme Direction - take three.....	188
Correcting your CJRS overclaim to HMRC.....	188
High Court ruling on Coronavirus Job Retention Scheme and limb (b) workers	189
Claims under the new style CJRS can be made from 1 July	189
Updates to Coronavirus Job Retention Scheme (CJRS) guidance.....	190
Ability to delete claims now available within the CJRS online service	191
First arrest made in relation to furlough fraud	192
Coronavirus Job Retention Scheme: notice periods	192
Claims under the Coronavirus Job Retention Scheme phase one must be submitted by no later than 31 July 2020	193
Government extends furlough fraud reporting window	193
Latest Coronavirus Job Retention Scheme claim figures	194
HMRC confirms how to submit complaints in relation to the Coronavirus Job Retention Scheme	194
The deadline for submitting claims under the CJRS relating to periods ending on or before 30 June 2020 has arrived.....	195
Furloughed employees will receive full redundancy payments	195
CJRS guidance updated to reflect changes from 1 July 2020	196
The importance of National Insurance numbers for claims under the Coronavirus Job Retention Scheme	196
Latest updates to Coronavirus Job Retention Scheme guidance	197
HMRC provides examples of calculations of what businesses can reclaim for flexibly furloughed employees in September and October	197
Coronavirus Job Retention Scheme guidance update.....	198
Reminder of the changes to the Coronavirus Job Retention Scheme (CJRS) from 1 September 2020	198
Coronavirus Job Retention Scheme guidance update 26.08.2020.....	199
Coronavirus Job Retention Scheme submission deadlines	200

Guidance on Coronavirus Job Retention Scheme template updated	200
HMRC's Chief Executive discusses the tax gap, EU transition and the Coronavirus Job Retention Scheme ..	201
Quick Poll results: 52% confirm that they have had to adapt their processes to ensure compliance with the CJRS and record checking due to the eligibility for the Job Retention Bonus	202
Update to CJRS claim calculations guidance	202
Arrests made in £70,000 furlough fraud investigation	203
Bank of England governor advises the government to amend its plans for the CJRS	204
£39.3 billion paid out in claims under the CJRS	204
Flexible furlough brought 20% of employees back to work	204
Deadline for last claims under CJRS confirmed	205
Penalties for erroneous CJRS claims confirmed	205
Upcoming deadline for reporting CJRS overclaims	206
Closing date for submitting CJRS claims approaches	206
Archived CJRS guidance	207
Job Support Scheme (JSS) guidance published and scheme postponed – CJRS is to be extended	208
HMRC confirms that employees can be brought back for CJRS purposes	209
Employer and employee eligibility for the extended CJRS	210
Extended CJRS – conditions and calculations	212
Submitting claims under the extended CJRS	214
Calculator published for the extension to the CJRS	214
Data protection	215
H&M Group fined £32.1 million for GDPR breach	215
Employment News	216
Employment Law & Guidance	216
Employment Tribunals	216
Continuation of employment	216
Disability Discrimination	217
Employment Tribunals – New road map	218
DWP loses Court of Appeal case relating to Universal Credit	218
High Court ruling on Coronavirus Job Retention Scheme and limb (b) workers	219
Royal Mail loses appeal over agency workers' status	220
Employment Tribunals update	220
Homecare workers paid £10,000 in backpay from care agencies breaching wage rules	221
Ethnicity Pay Gap	221
Research highlights the fact that a quarter of larger firms are examining the ethnicity pay gap	221
Ethnicity pay gap the lowest it has been since 2012	222
Executive Pay	223
Gender Pay Gap	223
New bill introduced to Parliament which could provide women with the right to know their male colleagues' salaries	223
General Employment News	223
The Resolution Foundation calls for higher pay and better conditions for low-paid workers	223
Research suggests that work is negatively impacting employee wellbeing – and the COVID-19 crisis is exacerbating this	224
The treatment of Direct Earnings Attachments during the coronavirus crisis	225
Workers struggling to combine work with caring responsibilities	226
Downloading and accessing BACS reports during coronavirus	226
OVO energy reports a mean gender pay gap of 20.1% for average hour pay as at April 2019	227
There will be no requirement for face masks in offices	228
Jobs fall by 649,000 between March and May 2020	228
Public sector workers to receive above inflation pay rises	229
The CIPD urges the government to introduce bereavement leave and pay for all employees who lose a close family member	229
Record increase in calls to Acas helpline in relation to redundancies	230
FCA publishes statement on Employer Salary Advance Schemes	230
33% of companies intending to make redundancies	232
Updates to the Conduct Regulations 2003: guidance for employment agencies and employment businesses	233
The Office for National Statistics reports that one in eight employees remain on furlough leave	233
MaPS confirms increasing debt advice capacity in England	234
Guidance on traineeships: information for employers and education providers updated	234
Applications for the £2 billion Kickstart Scheme now open	235
How to become a representative for the Kickstart Scheme	236

Future plans for the tax system	236
Working from home? How helpful is your town or city?	237
Inflation slips to 0.2% in August 2020	238
2021 BACS processing calendar published	238
Kickstart Scheme gateways list	238
H&M Group fined £32.1 million for GDPR breach	239
Government respond to the Director of Labour Market Enforcement	240
Director of payroll services company disqualified over 'contentious payments' equating to £2.7 million	240
Seasonal BACS processing dates - Dare we mention the "C" word?!?	241
Increases to the real Living Wage confirmed	241
Holiday Pay	242
The effect of COVID-19 on holiday entitlement and pay	242
Modern Working Practices (Good Work Plan)	245
Expenses, Benefits & Reward	245
Childcare	245
Company Cars	245
P46 (car) form for tax year 2020-21 published	245
Advisory Fuel Rates	246
Calculating Advisory fuel rates	247
Certain modified crew-cab vehicles are now classified as cars	247
Advisory Fuel Rates for company cars from 1 September 2020	248
General Expenses, Benefits & Reward News	249
Approved professional organisations and learned societies (list 3)	249
The CIPP's OpRA factsheet is now available	249
Temporary tax and National Insurance exemption for coronavirus-related reimbursed home office expenses	250
Temporary exemption to Income tax and NICs due on home office equipment due to COVID19 measures	250
Approved professional organisations and learned societies (list 3)	251
Updates to guidance on the treatment of expenses provided to employees during COVID-19	252
Approved professional organisations and learned societies (list 3)	252
Tax treatment of COVID-19 tests and Personal Protective Equipment	253
U-turn on tax treatment of coronavirus (COVID-19) tests	253
Policy paper and draft legislation produced in relation to Income Tax changes to the van benefit charge	253
HMRC webinar: expenses and benefits for employers – phones, internet, and homeworking	254
Guidance on expenses and benefits for apprenticeship bursaries for care leavers	254
Approved professional organisations and learned societies (list 3)	255
HMRC confirms that it has received over 50,000 tax relief claims from those working from home	255
HMRC webinars: business expenses	256
New Quick Poll: The homeworking allowance	257
PSA deadline approaches	257
Christmas events in 2020 – tax and NI exemption	258
Volunteers needed - do you report PAYE Online for P11D, P11D(b) and P46(car)	258
HMRC webinars: Self-employed expenses	258
Government News	259
Budget	259
Rishi Sunak unveils Winter Economy Plan	259
The government announces the cancellation of the Autumn Budget	260
Winter Economy Statement - webcast	261
EU Exit – Brexit	261
EU Settlement Scheme Update	261
HMRC publishes form for businesses impacted by new requirements relating to moving goods between Great Britain and Northern Ireland	262
Concerns around no-deal Brexit and its potential effect on the Pension Protection Fund	262
EU Settlement Scheme update	263
Check Change Go	263
Government launches 'Time is running out' Brexit campaign	264
Trader Support Service – Traders urged to act now	264
General Government News	265
The Treasury announces updates to tax policy consultation and calls for evidence as a result of COVID-19	265
The Chancellor unleashes the 'Plan for Jobs 2020' in the Summer Economic Update	266
Summer Economic Update: round-up	267
Deadline for claiming for the first Self-Employment Income Support Scheme grant	268
The hospitality industry invited to register for the Eat Out to Help Out scheme	268

Potential greater redundancy protection for pregnant women and new mothers under proposed bill	269
Labour Market Enforcement annual report 2018-19 published.....	270
CIPP Webcast: Summer Economic Statement 2020	271
“Fix your bike” scheme launched	272
Additional funding provided to low income families in Scotland.....	272
35 million meals claimed in first two weeks of Eat Out to Help Out scheme.....	272
Social security payments due to increase in tax year 2021-2022	273
Prime Minister confirms three-tier approach to tackling coronavirus	274
New bill introduced to Parliament which could provide women with the right to know their male colleagues' salaries	274
A one-year Spending Review to be implemented for 2021-22.....	274

HM Revenue & Customs..... 275

General HMRC News.....	275
HMRC's call for evidence: raising standards in the tax advice market	275
Information from HMRC relating to Tax Credits and Child Benefit claims.....	276
Deadline for filing Appendix 4 reports extended	276
Don't miss the deadline for filing your self-assessment tax return in order to qualify for the Self-employed Income Support Scheme (SEISS)	277
HMRC publishes updated 575(T) form	277
Employer-provided living accommodation – removal of concession for “Representative Occupiers”	278
Form P55 for tax year 2020-21	278
Filing deadlines and COVID-19	279
Appendix 4 reporting deadline has been extended.....	279
Update on reporting Appendix 7A and 7B returns	280
Late filing and payment penalties – HMRC Support	281
Withdrawal of ordering paper P45s and P60s from HMRC: postponement	282
HMRC consultation: Notification of uncertain tax treatment by large businesses	282
HMRC reminds customers to update them of any changes to circumstances or income, for the purposes of Tax Credits	283
Draft New Starter Checklist provided by HMRC	284
HMRC assistance on P11Ds for 2019-20.....	284
Appointment of Deputy Chief Executive Officer and Second Permanent Secretary of HMRC	284
HMRC refreshes its agent toolkits catalogue.....	285
Updates to how to use HMRC Online Services for reporting PAYE and CIS.....	285
HMRC publishes its 'Measuring Tax Gaps: 2020 edition' report.....	286
Draft New Starter Checklist provided by HMRC	287
HMRC releases policy paper on changes to the treatment of termination payments	287
HMRC confirms important changes to the operation of the Alternative Dispute Resolution process	288
Using Basic PAYE Tools for the EPS	288
Tackling promoters of Tax avoidance schemes.....	288
Building a trusted, modern tax administration system	289
Updated guidance for those affected by changes to the Loan Charge	290
Four arrested and questioned on suspicion of money laundering	291
HMRC webinars and YouTube guidance on the Eat Out to Help Out scheme	292
HMRC publishes 'Residence: The SRT: Annex D: International tax clarifications due to coronavirus (COVID 19)' – Q&A.....	292
HMRC webinar: payrolling benefits	293
Additional guidance on the implementation of the loan charge published	293
HMRC webinar: Self-Employment Income Support Scheme.....	294
As children return to school, a timely reminder about Tax-Free Childcare	294
August electronic payment deadline	295
Temporary easement for employees who return to work in the UK.....	295
PAYE RTI penalties – continuation of the risk-based approach to charging penalties	296
HMRC webinar: disguised remuneration	296
RTI RIM artefacts updated for tax year 2020-21.....	297
Updated DPS techpack now available.....	297
The importance of the Corporate Criminal Offences legislation.....	297
HMRC is seeking views on its development of an Application Programme Interface (API) in relation to Corporate Interest Restrictions (CIR)	298
HMRC's Chief Executive discusses the tax gap, EU transition and the Coronavirus Job Retention Scheme	299
30 September - the Loan Charge deadline approaches	300
No extension to the Loan Charge deadline.....	300
HMRC webinar: company directors – payroll and you.....	301

Disguised Remuneration Loan Charge deadline arrives	301
HMRC webinars – Off-Payroll working and Avoiding Saver Scams	302
Self-employed apply online to HMRC to spread the cost	302
HMRC and TPR join forces to deliver webinar on pension scams.....	303
The CIPP's response to the HMRC consultation: 'Supporting veterans' transition to civilian life through employment'	303
Changes to HMRC helpline opening hours.....	304
Agent Self Serve developments	304
Self-Assessment tax return deadline approaches	305
Check if you need to tell HMRC about additional income	305
HMRC webinars: Coronavirus-related measures and the Statutory Sick Pay Rebate Scheme	306
HMRC Charter published.....	306
HMRC Employer Bulletins	307
Employer Bulletin – April 2020.....	307
Employer Bulletin - June 2020.....	308
Employer Bulletin – August 2020.....	309
Employer Bulletin - Edition 86.....	310
Making Tax Digital.....	310
The end of the Earlier Year Update	310
National Insurance	311
National insurance contribution settlement return form deadline extended	311
Guidance on payroll information to report to HMRC updated to include changes to the Employment Allowance for tax year 2020-21.....	312
Correct reporting on Employment Allowance claims	312
Government consultation: a NICs holiday for employers hiring former members of the UK regular armed forces	313
National Insurance guidance for software developers (2020 to 2021).....	313
CIPP Survey: Employer's National Insurance Contributions holiday for businesses employing veterans	314
NINO prefix reminder.....	314
Reminder: CIPP Survey: Employer's National Insurance Contributions holiday for businesses employing veterans.....	315
National Insurance Contribution questions	315
Due to COVID-19, the DWP is only able to offer a National Insurance Number (NINo) service to a limited number of applicants	316
Reminder – CIPP Survey – Employer's National Insurance Contributions holiday for businesses employing veterans.....	316
The CIPP's response to the HMRC consultation: 'Supporting veterans' transition to civilian life through employment'	317
National Minimum Wage / National Living Wage	319
Amendments to National Minimum Wage regulations	319
CIPP Survey: 2020 LPC annual review of minimum wage rates	319
Calculating minimum wage guidance updated to reflect changes to calculating salaried-hours work	320
CIPP Survey: 2020 LPC annual review of minimum wage rates	321
CIPP Survey: 2020 LPC annual review of minimum wage rates	321
CIPP Webcast: National Minimum Wage refresh and update	321
CIPP response to LPC consultation on National Minimum Wage rates for April 2021	322
The Low Pay Commission publishes blog on non-compliance in Leicester.....	323
Homecare workers paid £10,000 in backpay from care agencies breaching wage rules	324
National Minimum Wage guidance updated for seafarers	324
HMRC webinars: National Minimum Wage.....	325
Off-payroll Working	326
Public sector contractors will be eligible for the Coronavirus Job Retention Scheme	326
The House of Lords has listed its concerns regarding IR35 reforms in a letter to the Treasury	326
The House of Lords economic affairs finance bill sub-committee's report urges the government to rethink IR35 reforms	327
Off-Payroll Working changes look imminent to go ahead as planned.....	328
IR35 reforms will go ahead as planned in April 2021.....	328
The government response to the report from the Economic Affairs Finance Bill Sub-Committee on off-payroll working	329
New Quick Poll: Readiness for off-payroll working reforms	330
Off-payroll working guidance updated, ahead of the implementation of the new rules from 6 April 2021.....	330
HMRC webinars – Off-Payroll working and Avoiding Saver Scams	331

Off-payroll: Guidance on checking labour supply chains	331
Off-Payroll working rules – HMRC update on interpretation of Section 610	332
Off-payroll working rules – when to use the RTI indicator flag	333
Education and support: off-payroll working changes	334
Employment Status Manual - Guide to determining status: fact finding/evidence gathering updated	335
HMRC warns of potential dangers to businesses of Mini Umbrella Company fraud	335
Education tools: Off-payroll working	337
PAYE (Pay As You Earn)	338
Attachment of Earnings Orders (AEOs, DEAs).....	338
Collection of DEAs issued by DWP suspended.....	338
DWP confirms the recovery of benefit overpayments has been suspended temporarily	338
Update on the treatment of DEAs during the outbreak of coronavirus.....	339
Updated guidance on the treatment of DEAs during the outbreak of coronavirus	339
Expat News	340
How to calculate and deduct PAYE for employees coming to work in the UK	340
General PAYE News.....	340
2020-21 Manual Taxable Pay Tables published.....	340
The Institute for Government publishes report: “Overcoming the barriers to tax reform”	341
Introduction of VAT domestic reverse charge for construction services delayed.....	341
CIPP Survey: Tackling abuse within the Construction Industry	342
PAYE Settlement Agreement – Payment Reminder	343
PAYE and Corporate Tax receipts from the banking sector: 2020	343
RTI Payment codes - Reminder	344
Payroll Software Updates	345
Statutory Pay and Leave.....	345
Furloughed employees, intending to take paid parental or adoption leave, are entitled to statutory pay based on usual earnings	345
Guidance for calculating statutory parental pay for furloughed employees	345
HMRC SP Disputes Team number updated	346
Statutory Sick Pay (SSP)	346
Update to HMRC’s SSP guidance to include self-isolation.....	346
Guidance on the coronavirus Statutory Sick Pay Rebate Scheme published.....	347
Latest update from HMRC – Interaction with SSP, furlough and Coronavirus Job Retention Scheme.....	347
Statutory Sick Pay extended to individuals who are shielding	348
The Statutory Sick Pay Rebate Scheme and state aid	349
Statutory Sick Pay (SSP) Rebate Scheme launched.....	349
Self Isolation due to Contact Tracing notification now a reason for SSP incapacity	350
Quarantine when entering, or returning to, the UK in relation to SSP	351
The NHS Test and Trace service and its effect on pay	351
‘Shielding’ employees able to return to work from August	352
SSP entitlement for employees contacted via NHS test and trace	353
SSP and COVID-19 – Returning from holiday	353
Statutory Sick Pay (SSP) ends for those who are shielding due to COVID-19.....	354
Additional reason for payment of SSP from day one	354
Additional reason for payment of SSP – self-isolation prior to surgery	354
Local lockdown guidance – SSP for shielding	355
HMRC webinars: Coronavirus-related measures and the Statutory Sick Pay Rebate Scheme	355
Coronavirus Statutory Sick Pay Rebate Scheme: Update	356
The Statutory Sick Pay extension in Wales	356
Data protection	357
Statutory Parental Bereavement Pay (SPBP) and Parental Bereavement Leave (PBL)	357
Statutory Parental Bereavement Pay guidance published.....	357
Update to guidance on Statutory Parental Bereavement Pay.....	359
Shared Parental Leave and Pay	359
New survey: Proposed tool to help parents and employees navigate the Shared Parental Leave and Pay scheme	359
Student Loans	360
New Scottish Student Loan type to be introduced from April 2021	360
The online repayment service for Student Loans is now live	361
Annual updates to Student Loans thresholds	361
Improvements to the Student Loan repayment process	362

Pensions 363

Automatic Enrolment	363
The Pensions Regulator appoints new auto-enrolment director	363
Concerns around no-deal Brexit and its potential effect on the Pension Protection Fund	364
DWP Small Pots Working Group	364
Nest - improving the customer journey	365
General Pensions News.....	366
Recognised overseas pension schemes notification list	366
Accounting for Tax Return added onto the Managing Pension Schemes Service	367
The Pensions Regulator (TPR) reminds us that pension duties continue even during a crisis	367
Recognised overseas pension schemes notification list	368
TPR guidance on calculating pension contributions where there is a salary sacrifice arrangement for the CJRS	369
Waspi women call for state pension access	370
COVID-19 transfer warnings will be issued by pension schemes to savers	370
Webinar – Easing the pension pressures during COVID-19.....	371
The Pensions Regulator produces an Annual Funding Statement and guidance for trustees and employers	372
Recognised overseas pension schemes notification list	372
Form P55 for tax year 2020-21	373
The Pensions Regulator urges trustees to prioritise pension switches between Defined Contribution schemes.....	374
Recognised overseas pension schemes notification list	374
HMRC Pension Scheme Services Newsletters 118 and 119.....	375
Countdown Bulletin 53.....	376
Recognised overseas pension schemes notification list	377
The FCA bans contingent charging	378
The Pensions Regulator updates guidance in relation to changes to the CJRS and how this will affect pension contributions	378
Call for evidence launched to review the pension charge cap	380
Recognised overseas pension schemes notification list	380
Coronavirus pauses the government’s review of the net pay anomaly	381
The Pensions Regulator : Stakeholder update	382
The Financial Conduct Authority (FCA) – Consultation on pensions, comparing the value of money of pension products and services for members.....	382
Recognised overseas pension schemes notification list	383
The Net Pay Anomaly: Call for evidence on pensions tax relief administration	384
Managing pension schemes newsletter – July 2020	385
Pensions pilot scheme – we need you to get involved	386
The Pensions Regulator: Latest Stakeholder update	386
COVID-19 pandemic makes accessible savings equally important as pensions	387
LCP urges women to find out if state pension is being underpaid	387
Pensions tax allowance deadline extended for NHS staff	389
Recognised overseas pension schemes notification list	389
Supreme Court rules ill-health pension transfer is not liable for inheritance tax	390
£30 million in pension savings lost to scams in three years.....	391
HMRC Pension Schemes Newsletter 123	391
Report highlights the fact that over 800,000 workers are missing out on pension contributions.....	392
Recognised overseas pension schemes notification list	392
How The Pensions Regulator has supported businesses through the coronavirus crisis	393
From 2028, the age at which pensions can be accessed will increase from 55 to 57.....	394
TPR forces fraudster to repay nearly £300,000 defrauded from charity’s pension scheme.....	394
CIPP Survey - The Net Pay Anomaly: Call for evidence on pensions tax relief administration	395
Court of Appeal dismisses state pension age challenge	396
Recognised overseas pension schemes notification list	396
Reminder – CIPP Survey – The Net Pay Anomaly: Call for evidence on pensions tax relief administration	397
The Pensions Regulator updates COVID-19 guidance	398
TISA launches proposals to overhaul Auto-Enrolment as part of ‘Getting Retirement Right’	398
Final Reminder – CIPP Survey – The Net Pay Anomaly: Call for evidence on pensions tax relief administration	399
State pension will still be subject to ‘triple lock’ increase for 2021-22.....	400
HMRC Pension Schemes Newsletter 124	400
Government dismisses recommendation to evaluate impact of pension tax reliefs within next year	401

The list of Recognised Overseas Pensions Schemes (ROPS) notifications has been updated	402
HMRC webinars – Off-Payroll working and Avoiding Saver Scams	402
From 6 October 2020, you must be 66 or over to claim the state pension – what is the correlation between state pension age and employment rates?	403
The protected pension age easement will expire on 1 November 2020	403
HMRC and TPR join forces to deliver webinar on pension scams.....	404
The CIPP’s response to HM Treasury’s consultation: ‘Pensions tax relief administration: call for evidence’	404
Recognised overseas pension schemes notification list	405
Pensions lifetime allowance to increase 0.5% for tax year 2021-22	406
Simplified pension statements on the horizon	406
New superfunds guidance for trustees published by The Pensions Regulator	407
Government plans to “nudge” people to take pensions guidance	408
Fraudster made to repay £274,000 he stole from workplace pension scheme	408
Recognised overseas pension schemes notification list	409
Pensions Dashboard.....	409
Pensions dashboards to be tested by providers and volunteer schemes	409
Pensions dashboards to be delayed until 2023	410
Redundancy	412
Potential greater redundancy protection for pregnant women and new mothers under proposed bill	412
Insolvency service update – What to do if you have been made redundant	412
Acas– Free webinars available for small scale redundancies.....	413
Tax Agents and Advisers	413
HMRC publishes Agent Update 77	413
Agent Issue: 78 published	415
HMRC publishes Agent Update 79.....	415
HMRC publishes Agent Update 80.....	417
Tax Avoidance & Evasion.....	418

Apprenticeships

Guidance for apprentices, employers, training providers and assessment organisations in response to the impact of COVID-19

8 April 2020

[New guidance](#) has been published to advise apprentices, employers and providers of apprenticeship training, assessment and external assurance, of the support that the government is providing to help them in response to the outbreak of coronavirus.

The resounding message is that help is available to support both apprentices and employers to continue to build the skills capabilities that the country needs, both now, and in the future.

Steps are being taken by the Education and Skills Funding Agency (ESFA) to ensure that, wherever possible, apprentices can complete their apprenticeships, and that providers can be supported through the current turbulent times.

The range of support measures include:

- The introduction of flexibilities to enable furloughed apprentices to continue with training, on the proviso that it does not provide services to, or generate revenue for their employer
- Encouraging training providers to train apprentices remotely and via e-learning, where it is possible to do so
- Allowing changes to end-point assessment arrangements, to include remote assessments where possible, in order to maintain progress and achievement for apprentices
- Allowing end-point assessments for apprentices ready for assessment, but who cannot be assessed due to coronavirus, to be rescheduled
- Apprentices whose gateway is delayed are allowed an extension to the assessment time frame
- Allowing employers and training providers to initiate and report a break in learning, if the interruption to learning is due to COVID-19 and exceeds four weeks
- Providing information that confirms how to document breaks in learning so that funding is not disrupted
- Where apprentices are made redundant, steps will be taken to help find them alternative employment and continue their apprenticeship as soon as possible and within 12 weeks

The publication also confirms that the developing situation will continuously be kept under review and that guidance will be updated in line with this.

Back to [Contents](#)

CIPP survey: The value of apprenticeships

23 April 2020

The government is currently reviewing the use of levy application for higher level apprenticeships, and the CIPP would like to know more about the perceived value of a qualification against the value of an apprenticeship.

In order to collect views on this subject, the CIPP has produced a [survey](#), which will take approximately one minute to complete.

The [survey](#) will be open until 9:00 on 28 April 2020, so don't miss your chance to respond and to give your feedback on this topical issue.

[CIPP survey: The value of apprenticeships](#)

Back to [Contents](#)

Updated guidance on apprenticeship funding in England

21 July 2020

The Department for Education has released updated [information](#) relating to apprenticeship funding in England. The updates include discussion of the recently announced plans by the government to provide employers with incentive payments for hiring new apprentices between August 2020 and January 2021.

The guidance confirms that the apprentice must be a new employee to the business, be supplied with a contract of employment start date between 1 August 2020 and 31 January 2021, having not been previously employed by the employer within the six months up to the contract start date.

Claims can be made by employers for these new apprentices from 1 September 2020, and claims will be submitted via the apprenticeship service.

There are two different payment amounts, dependent on the age of the new apprentice. For any apprentices aged between 16 and 24, the payment will be for £2,000, and for those aged 25 and over, it will be £1,500. These payments will be made in two separate instalments, of equal figures, if an apprentice is still in learning at day 90 and also day 365.

There is no limit to the number of incentive payments that one employer can receive, as long as the apprentices meet the criteria – the fact that the apprentice is a new employee is of crucial note.

The document also advises about a range of other key points relating to apprenticeship funding in England, including:

- Funding policy from 1 August 2020
- Information for employers who pay the apprenticeship levy
- Information for employers who do not pay the apprenticeship levy
- Timing of payments by government to providers
- Funding apprentices who work in England

Back to [Contents](#)

Apprenticeship Levy – survey

29 July 2020

With the Chancellor of the Exchequer, Rishi Sunak, announcing at the [Summer Budget](#) additional incentives for employers to take on apprentices, the policy and research team are keen to know how employers are, if at all, using their levy funding and if with the additional incentive, are considering utilising funds.

To gather an insight, the team have put together a short [survey](#), asking employers several questions on the subject. We appreciate that at present all are extremely busy, however this short [survey](#), which takes around five minutes to complete, will present valuable information to the team and its findings will be distributed via the CIPP media channels.

Back to [Contents](#)

Plan for jobs – Additional funding for apprenticeships

4 August 2020

From 1 August 2020, employers, large and small, are being urged to take advantage of new cash incentives which have been designed to create more apprenticeship opportunities for more people, especially young people.

As part of the [Government's Plan for Jobs](#), employers are being offered £2,000 for each new apprentice they hire under the age of 25, and £1,500 for each new apprentice they hire over the age of 25, up to the 31st January 2021. This also includes taking on an apprentice who has been made redundant due to the current pandemic.

The new cash incentives for employers are in addition to the existing £1,000 payment for new 16-18-year-old apprentices, and those aged under 25 with an Education, Health and Care Plan.

To support individuals, particularly young individuals, affected by Covid-19, the Government has also announced a series of support including:

- An increase to the number of [traineeships](#) available across England to help more 16-24 year olds improve their skills and experience and build the confidence they will need to enter the world of work
- A new 'Kick-start' scheme to create hundreds of thousands of new, fully subsidised jobs for young people across the country
- Investment to increase participation in sector-based work academies, to upskill job seekers to help fill locally identified vacancies
- A Job Retention Bonus – a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021
- Additional support to school and college leavers at risk of becoming unemployed to do a fully funded optional extra year of study
- [The National Careers Service](#) is also providing high quality impartial advice and guidance to more young people and adults who have been affected by coronavirus

Back to [Contents](#)

Guidance on expenses and benefits for apprenticeship bursaries for care leavers

16 September 2020

HMRC has published [guidance](#) on the exemption of Income Tax and National Insurance (NI) contributions that can be applied to the apprenticeship bursary payment provided to care leavers and those in local authority care.

Organisations do not need to pay any tax or NI contributions on the bursary payment to apprentices who are care leavers, or those who are in the care of a local authority. There will also be no reporting requirements for businesses in relation to this payment. The exemption is applicable to apprenticeships that began on, or after, 1 August 2018.

The Education and Skills Funding Agency (ESFA) can make the £1,000 bursary payment to be given to apprentices who are aged between 16 and 24, and who are starting an English apprenticeship. The bursary is paid to apprenticeship training providers in scenarios where an apprentice remains on an apprenticeship for a minimum of 60 days. The provider then transfers this to the apprentice in one single payment within 30 days of receiving it. This is the case unless the EFSA confirms in writing that a longer period is allowable.

There are certain eligibility conditions for the care leavers' bursary for apprentices, and it is intended that the payment will help to remove barriers to accessing the apprenticeship. For an apprentice to be eligible, they must be either:

- They must be an eligible child, meaning a young person who is 16 or 17, who has been looked after by a UK local authority or health and social care trust for a minimum of 13 weeks since the age of 14, and who is still looked after
- They must be a relevant child. This is a young person who is 16 or 17 and has left care within the UK after their 16th birthday, and prior to leaving care, was classed as an eligible child
- They must be a former relevant child. This is a young person aged between 18 and 21, who, before turning 18, was either an eligible or relevant child. This can be up to their 25th birthday if they are in education or training

And:

- They must have commenced their apprenticeship on or after 1 August 2018, and not been in receipt of the care leavers' bursary before

Further information is available in relation to the requirements for both employers and providers, and the evidence that they must collect and retain in the [apprenticeship funding rules](#).

[Back to Contents](#)

CIPP Policy & Research

CIPP webcast: Coronavirus support measures

3 April 2020

In order to keep our members informed of recently announced measures to support employers, employees and the self-employed through the outbreak of Coronavirus, the CIPP has produced a [webcast](#) that surmises some of the key points for payroll professionals to familiarise themselves with.

The webcast discusses temporary amendments to Statutory Sick Pay (SSP), the Coronavirus Job Retention Scheme and the Self-employment Income Support Scheme. An overview of some of the other policies affected by the outbreak of coronavirus is also included, as this will impact the work that payrollers carry out.

You can listen to the webcast [here](#).

As the situation with coronavirus is continually changing, so does the guidance, so be sure to keep checking the CIPP's News Online pages to ensure that you have the very latest information.

[Back to Contents](#)

CIPP Survey: 2020 LPC annual review of minimum wage rates

21 April 2020

To support the CIPP's written response to the LPC's 2020 consultation on what the National Living Wage (NLW) and National Minimum Wage (NMW) rates should be from April 2021, the Policy team have designed a [survey](#). The [survey](#) aims to collect evidence which will assist in informing the LPC's recommendations for the 2021 NMW rates.

Respondents will be asked for their views and opinions as to

- The impact of increases in the NLW since its introduction, including the April 2020 uprating
- The affordability and effects of a NLW rate of £9.21 from April 2021
- The LPC's remit to 2024, involving a new NLW target of two-thirds of median earnings and lowering the NLW age threshold to 21. The current central projection for the NLW rate from April 2024 is £10.69
- Potential changes to the Apprentice Rate and the effect this would have, with particular focus on younger apprentices, aged between 16 and 18 years old
- Which broader economic issues have affected the perception of what NLW and NMW rates should be
- The compliance and enforcement of NLW / NMW

The CIPP wholeheartedly understands that payroll professionals are extremely busy individuals, and that measures recently introduced to help support the UK through the outbreak of coronavirus will be demanding a substantial amount of, if not all, of their time. The [survey](#) should take approximately 16 minutes to complete, and the CIPP would really appreciate the feedback of anybody with an interest in this matter, so if you could spare the time, it would be much appreciated.

In responding to this [survey](#), you will be helping to shape the future of minimum wage rates that employers must pay their employees, and will be assisting the LPC through what will potentially be their toughest research year since the

minimum wage was introduced 21 years ago, due to the current circumstances relating to coronavirus. The more views the CIPP has to include in its written statement, the more accurate picture we can build.

The [survey](#) closes at 23:45 on Friday 22 May 2020, so don't miss the opportunity to have your say.

Thank you in advance for your time.

CIPP comment

Full, fellow and chartered members (read more about various membership levels [here](#)) have the opportunity to attend the virtual think tank roundtable that the CIPP will be holding on the afternoon of 6 May 2020.

Please watch out for invites that will be issued in the coming days, or register your interest in attending by notifying the Policy team, at Policy@cipp.org.uk, using 'CIPP / LPC virtual think tank' within the subject line.

Back to [Contents](#)

CIPP Quick Poll: Coronavirus Job Retention Scheme online service

22 April 2020

Following the launch of the online portal for employers to make claims relating to the Coronavirus Job Retention Scheme on 20 April 2020, the CIPP has launched a [Quick Poll](#) to assess the usability of the service.

The [Quick Poll](#) will take less than a minute to answer, and will give the CIPP an insight into how complex or simple the scheme is to access and use.

Respond to the CIPP's [Quick Poll](#) and give your opinion on whether you found submitting a claim through the Coronavirus Job Retention Scheme easy to do, or not.

Back to [Contents](#)

CIPP survey: The value of apprenticeships

23 April 2020

The government is currently reviewing the use of levy application for higher level apprenticeships, and the CIPP would like to know more about the perceived value of a qualification against the value of an apprenticeship.

In order to collect views on this subject, the CIPP has produced a [survey](#), which will take approximately one minute to complete.

The [survey](#) will be open until 9:00 on 28 April 2020, so don't miss your chance to respond and to give your feedback on this topical issue.

[CIPP survey: The value of apprenticeships](#)

Back to [Contents](#)

CIPP Survey: 2020 LPC annual review of minimum wage rates

28 April 2020

The CIPP's Policy team has designed a [survey](#) which aims to collect evidence to assist in constructing the CIPP's written response to the Low Pay Commission (LPC) consultation on what the National Living Wage (NLW) and National Minimum Wage (NMW) rates should be from April 2021. Don't miss the opportunity to have your say [here](#).

The [survey](#) will take approximately 16 minutes to complete, and whilst the CIPP recognises that this is an extremely busy period for payroll professionals, we would really appreciate your feedback. This is your opportunity to shape the future of minimum wage rates, and to assist the LPC through what will inevitably be their toughest research year to date, due to the coronavirus crisis.

The [survey](#) asks for views and opinions on the impact of the NLW since its introduction, potential future NLW and NMW rates, and some specific questions on potential changes to the Apprenticeship Rate.

The [survey](#) will close at 23:45 on Friday 22 May 2020.

[Back to Contents](#)

CIPP Survey: 2020 LPC annual review of minimum wage rates

5 May 2020

The CIPP's Policy and Research team will be submitting a written response to the Low Pay Commission's (LPC) consultation on the future of the National Living Wage (NLW) and National Minimum Wage (NMW), and what the rates should be from April 2021. In order to incorporate the opinions of members within the response, the team has produced a [survey](#) for you to complete.

We appreciate that this is an extremely busy time for payroll professionals, many of whom will still be working through the outbreak of coronavirus, to ensure that the UK is still paid, so we would really welcome any feedback you can give. The [survey](#) will take roughly 16 minutes to complete, and it is your opportunity to feed into the future of the NLW and NMW rates, and to have your say.

The [survey](#) will close at 23:45 of Friday 22 May 2020.

[Back to Contents](#)

CIPP QuickPoll: Returning to work after the coronavirus crisis

5 May 2020

Following the publication of a number of reports, including one from the [BBC](#), that confirm that the government is planning to consider taking steps to allow workplaces to reopen, the CIPP wanted to ask its members what they believe the main associated challenges will be.

If you have a moment to spare, please answer the [Quick Poll](#), which can be found on the CIPP's News Online page.

It is believed that businesses will be required to implement additional hygiene measures when bringing their employees back to work, including the use of physical screens and protective equipment in cases where keeping a distance of two metres between workers is not possible. In addition to this, it is thought that hot-desking will be reduced to stop the spread of coronavirus.

Businesses may also be asked to minimise the number of staff using equipment, and to stagger working hours and break times to ensure that staff are not in close proximity to one another. Anybody who can work from home should still be encouraged to do so.

The Prime Minister, Boris Johnson is set to reveal a "roadmap" out of lockdown on Sunday 10 May 2020, and employers eagerly anticipate the information that could mean that they can adopt a phased approach to returning to some form of normality.

The guidance applies to the whole of the UK, but devolved governments have the option to make their own decisions about the best way to get businesses reopened, and their staff back to work.

Please don't miss the opportunity to feed into research, and respond to the [Quick Poll](#) today.

[Back to Contents](#)

CIPP Webcast: National Minimum Wage refresh and update

12 May 2020

The CIPP's Policy and Research team has published a new [webcast](#), which provides an update to recent changes to the National Minimum Wage.

Despite the dominance that coronavirus has had over much of the work of payroll professionals, it is imperative to remember to keep up to date with the more 'business as usual' items, and this [webcast](#) aims to provide members with a concise overview of recent changes that have been made.

The content of the [webcast](#) includes:

- Naming scheme
- Recent updates to National Minimum Wage guidance
- Updates to salary sacrifice
- The further reach of the National Minimum Wage / National Living Wage

[Back to Contents](#)

Final call for the CIPP's survey on National Living Wage and National Minimum Wage rates for 2021

22 May 2020

The CIPP's Policy and Research team will be submitting a written response to the Low Pay Commission's (LPC) consultation in relation to what the National Living Wage (NLW) and National Minimum Wage (NMW) rates should be from April 2021.

In order to incorporate the views of our readership, we have designed a [survey](#) for you to complete to share your views with us, and to feed into the future of NLW and NMW rates. The [survey](#) will take approximately 16 minutes to complete, and we recognise that this is a particularly busy time for payroll professionals, so would really appreciate it if you could find the time to contribute.

The [survey](#) asks for views and opinions relating to:

- The compliance and enforcement of NLW / NMW
- The LPC's remit to 2024, involving a new NLW target of two-thirds of median earnings, whilst lowering the NLW threshold to 21
- Potential amendments to the Apprentice Rate and the effects that this would have
- The affordability and effects of a NLW rate of £9.21 from April 2021
- The impact of increases to the NLW since its introduction, including the uprating from April 2020
- Wider broader economic issues, such as the COVID-19 crisis and the UK's relationship with the EU, which may have affected the perception of what NLW and NMW rates should be

The [survey](#) closes at 23:45 on Friday 22 May 2020, so don't miss the opportunity to have your say.

[Back to Contents](#)

Payroll professionals – the CIPP’s Policy and Research team want to hear from you!

26 May 2020

Everyone has an experience to share about life during lock down, personal, professional, health, happiness, and horrors, the CIPP Policy and Research team want to hear yours.

There is a pre-conception by many that processing pay, pensions and reward, simply requires the pressing of a button. However, we know already that many of those misconceptions have dramatically changed already due to the impact of COVID-19.

Recognised as key workers, the payroll profession, across all sectors and in all service lines, have successfully overcome many difficulties to keep the UK workforce paid, during the coronavirus pandemic.

Many payroll teams are now working remotely and are facing a daily juggle to comply with the latest legislative changes, as well as ensuring that 'business as usual' tasks and processes continue. What would normally be classed as standard tasks, such as entering a new employee onto a system, for many, have required significant changes to procedures. But we know those changes have occurred and have resulted in the continued successful delivery or normal service during anything but normal circumstances.

The CIPP policy and research team want to hear your story of how have you overcome diversity in recent weeks, how have your families adapted to sharing your daily life as a payroll practitioner. We know there have been tears, but we also know that there have been numerous success stories and we would encourage you to have your say.

- How you have overcome such challenges?
- How have you tackled getting information from new employees?
- How you have overcome barriers in communication?
- Did you have a plan in place for such an event?
- How have you tackled processing furlough leave?

These are just some of the many subjects you could talk about, but please don't allow us to limit you, as you share your tales of COVID19.

Responses will be published and shared by the team within the Coronavirus hub and we plan coverage in Professional in Payroll, Pensions and Reward.

It is said that 'a trouble shared is a trouble halved' and we know, there is reassurance in knowing that we are not alone in our experiences during these difficult times.

Please email Samantha Mann, Policy and research technical lead to Samantha.Mann@cipp.org.uk directly with your personal experiences so that they can be shared with the wider payroll community. Your submission can be acknowledged by name or anonymously. Thank you.

Back to [Contents](#)

QuickPoll results: 65% of payroll professionals have to manually override SSP records for COVID19 related incapacity

2 June 2020

The Coronavirus Statutory Sick Pay Rebate Scheme [online service](#) was launched for claimants to use on 26 May 2020, and due to the fact that HMRC has confirmed that employers must retain a record of the reason an employee / employees were off sick in order to make claims, the CIPP wanted to ask payroll professionals how they process the reason for absences within payroll software, as not all software will accommodate this information.

The Policy and Research team launched a QuickPoll, which ran for just under two weeks, and asked the question:

“How do you record reasons for SSP incapacity within your payroll software?”

There were a healthy number of responses, and the breakdown is as follows:

We are having to override manually for COVID19 related incapacity: 65%

We don't – we keep manual records: 31%

We pass on to our bureau to monitor: 4%

As expected, many payroll teams are having to intervene and to manually override for any incapacity relating to coronavirus. This must be highly time consuming for payroll professionals, and there is, unfortunately, always room for human error where manual processes are involved.

Similarly, many respondents reported that they have had to maintain manual records to ensure that they comply with the recordkeeping requirements associated with claims submitted through the Coronavirus Statutory Sick Pay Rebate Scheme.

A much lower percentage of individuals confirmed that they pass the information across to their bureau, who would then be required to keep a record of it.

[Back to Contents](#)

The CIPP's latest QuickPoll: Have you used the Digital Assistant whilst trying to understand and/or claiming through CJRS?

2 June 2020

As the range of measures introduced by the government to help the UK through the outbreak of coronavirus have dominated much of the work of payroll professionals of late, the CIPP wanted to see how many of you have been utilising HMRC's digital assistant. We also wanted to establish whether those of you who have used the service found it useful or not, so the Policy and Research team has created a [QuickPoll](#).

The online assistant asks a variety of questions and offers multiple choice responses to those questions. Users should select the option that applies most closely to them, until the assistant directs them to the guidance page most relevant to their situation.

We know that payroll teams up and down the country are working relentlessly to ensure that staff are paid correctly, and on time, and are aware of how busy you all are. We would really appreciate it if you could spare a moment of your time to provide a response to the [QuickPoll](#) to help us to determine how widely the digital assistant is being used and also how useful it is.

CIPP comment

The CIPP's QuickPolls only allow respondents to give one short, simple answer to the question being posed. If you have any additional feedback on HMRC's digital assistant, or similarly, on anything relating to the CJRS, then please share your experiences with the Policy and Research team, at policy@cipp.org.uk. We really value all the feedback we receive from members.

[Back to Contents](#)

CIPP response to LPC consultation on National Minimum Wage rates for April 2021

5 June 2020

The CIPP has submitted its [response](#) to the Low Pay Commission's (LPC) [consultation](#) to help inform its recommendations on what the National Living Wage (NLW) and National Minimum Wage (NMW) rates should be from April 2021.

The LPC sought to gather feedback on the subject of the effects of recent increases to the NMW and NLW rates, on both employers and employees, particularly in consideration of current broader economic issues, such as the outbreak of coronavirus, and the UK's exit from the EU. This year's consultation placed additional focus on the affordability of increasing the NLW to £9.21 in April 2021, and views on the LPC's remit to 2024, which would see a new NLW target of two-thirds of median earnings, and the NLW age threshold lowered to 21, from the current age of 25. There was also particular interest in the future of the Apprentice rate in this year's consultation.

Our response included a summary of both quantitative and qualitative data extracted from an electronic survey that ran throughout May 2020, and also incorporated feedback received at a virtual Think Tank roundtable session on the topic of minimum wage rates from 2021 that the CIPP hosted.

Unsurprisingly, survey results revealed that several concerns have emerged in relation to the future of minimum wage rates, due to the COVID19 outbreak, which include:

- The fact that businesses have had to close premises and furlough their staff
- Understanding of gov.uk guidance pertaining to furlough and the Coronavirus Job Retention Scheme (CJRS)
- Concerns about the increased risks of redundancies, particularly in certain sectors
- Affordability of minimum wage rates in the coming years for employers who pay at, or just above, the National Minimum Wage rates
- Concerns surrounding the accurate recording of working hours for individuals working at home, as a result of the coronavirus crisis
- The fact that recent focus on coronavirus may have meant that changes to NMW guidance have gone unnoticed by employers
- In the public sector, there are concerns that the COVID-19 crisis will result in a period of austerity

Other, more general key findings include:

- 93% of respondents felt that the outbreak of coronavirus will have had an impact on their employer's perception of what the minimum wage rates should be
- 81% of employers reported that, since its introduction in April 2016, the NLW has not impacted the number of staff that they employ
- 90% of respondents confirm that the NLW has not affected the number of hours worked by staff
- 54% state that the NLW has not significantly impacted the pay structures offered within their businesses, but it has put pressure on maintaining pay differentials and banding
- 41% of respondents confirmed that they did not think the LPC should seek to meet its target rate for the NLW of £10.69 by April 2021

The response document provides much more detailed information surrounding the information gathered from respondents, and can be located [here](#).

CIPP comment

The CIPP is delighted to have had the opportunity to respond to the LPC's consultation on minimum wage rates from April 2021, but is disappointed that the outbreak of coronavirus has hindered face-to-face meetings, and also prevented the LPC from carrying out its visits programme. Now, more than ever, it would have been useful for the Commission to view the effect of minimum wage rates at the coalface.

The CIPP hopes that stakeholder engagement with BEIS will continue into the future, and that the visits programme can be resumed once the situation with coronavirus has stabilised.

Back to [Contents](#)

CIPP webcast: Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS) update

8 June 2020

The CIPP's Policy and Research team has created a new [webcast](#) to update payroll professionals on recent announcements relating to the future of the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS).

The CJRS is due to change from July 2020, and employers will have the option to bring employees back to work on a part-time basis whilst still claiming through the grant for hours not worked. There will be a tapered approach to the level of government funding under the scheme, until it finally closes at the end of October 2020. Further guidance is due to be published on 12 June 2020 but the [webcast](#) provides detail surrounding what we know to be true at the point of broadcast (5 June 2020).

Rishi Sunak also announced that there will be a second and final grant available under the Self-Employment Income Support Scheme (SEISS) and the [webcast](#) also discusses this.

In order to ensure you are as up to date as possible with future developments relating to the CJRS and the SEISS, don't delay and listen to the CIPP's [webcast](#) today.

Back to [Contents](#)

The CIPP's Coronavirus Job Retention Scheme July – October 2020 factsheet is now available

8 June 2020

The CIPP plans to expand on the content currently available within its Resource Library to give its members the most up to date and concise information to assist them in their day to day roles.

We understand that the lives of payroll professionals are consistently busy so we wanted to produce documents that provide authoritative information relating to crucial areas of payroll, that can be printed off and digested in a small amount of time.

Following Chancellor Rishi Sunak's announcements on 29 May 2020, relating to the future of the Coronavirus Job Retention Scheme (CJRS), the CIPP has produced a [factsheet](#) discussing key facts relating to how the CJRS operated prior to July 2020, crucial facts relating to its operation from July – October 2020, an overview of changes to how the government will fund the scheme going forward and a list of important dates for payroll professionals to bear in mind.

This is an ideal way for those working within a payroll environment to update their knowledge and familiarise themselves with the upcoming changes to the scheme. On 12 June 2020, detailed guidance will be published that provides even further detail, and the CIPP will update its members as to its content via News Online, the CIPP's website and also via social media.

Access the CIPP's latest factsheet [here](#).

Back to [Contents](#)

The CIPP's future of the Self-Employment Income Support Scheme (SEISS) factsheet is now available

10 June 2020

The CIPP's Policy and Research team has created a new [factsheet](#) to update payroll professionals on recent announcements relating to the future of the Self-Employment Income Support Scheme (SEISS).

On 29 May 2020, Chancellor Rishi Sunak announced that a second and final grant would be made available to further support the self-employed, including members of partnerships, through the outbreak of coronavirus.

The [factsheet](#) provides an overview of the first grant offered under the scheme, and revisits the eligibility criteria, as this remains the same for both the first and second grant. The [factsheet](#) discusses what we know so far about the second SEISS grant, but further guidance on how it will operate is due to be published on 12 June 2020.

Also of interest is the role of agents in relation to the SEISS, and the [factsheet](#) provides key information in this area.

The [factsheet](#) relating to the Self-Employment Support Scheme is just the latest in a range of factsheets that the CIPP's Policy and Research team has created in order to provide helpful guidance to payroll professionals about crucial areas of payroll. The idea is that the factsheets can be printed off and easily digested in a small amount of time to fit around the increasingly busy lives of payrollers.

Back to [Contents](#)

QuickPoll results: 47% of payroll professionals have not accessed HMRC's Digital Assistant for guidance on the CJRS

11 June 2020

The CIPP's Policy and Research team regularly hosts Quick Polls on the CIPP's News Online page to get an understanding of some of the issues impacting the work of payroll professionals.

Unsurprisingly, many of the questions included over the past few months have been centred around the impact of coronavirus on payroll departments, and the effect of government measures implemented to support the economy through the outbreak.

Our latest Quick Poll asked if people had utilised HMRC's [Digital Assistant](#) for guidance relating to the Coronavirus Job Retention Scheme (CJRS). The results are below:

Have you used the Digital Assistant whilst trying to understand and/or claiming through CJRS?

No: 47%

Yes, it was very helpful: 27%

Yes, it was slightly helpful: 16%

Yes, it was not helpful at all: 10%

The most popular response by far was that no, payroll professionals had not been accessing the Digital Assistant to help them with understanding or making a claim through the CJRS. This may be because they simply were not aware of its existence, or because they have been using the wealth of guidance available on the Gov.UK pages.

Out of those who had accessed the service, most people felt that it was very helpful (27%), followed by those who stated that it was slightly helpful (16%) followed by a lower proportion stating that they felt it was not helpful at all (10%).

The Digital Assistant asks a series of multiple-choice questions, which the user responds to, until the tool finds the guidance page relevant to their scenario and diverts them there.

CIPP comment

The CIPP's Policy and Research team is always interested in hearing feedback from CIPP members. If you have any further detail relating to the types of guidance that you have been using to help you to navigate the CJRS, or if you have any further details of your experience relating to using HMRC's Digital Assistant, then please contact the team at Policy@cipp.org.uk.

The CIPP's latest Quick Poll: How has working from home affected your productivity?

11 June 2020

The CIPP's Policy and Research team has launched its latest [Quick Poll](#) on the CIPP's News Online page.

Following government advice on how to stop the spread of coronavirus, many companies have asked their staff to work from home, where possible, and this has been the case for a number of months now.

The Policy and Research team would like to know how working from home has affected the productivity of payroll professionals, or, indeed if it has had no impact at all. There will be staff who have not been working from home and also employees who worked from home prior to the outbreak of coronavirus, who have not seen any change to the way in which they work. Regardless of your situation, we want to hear from all of you.

We appreciate that, particularly under the certain circumstances, payroll departments are under enormous amounts of pressure to get people paid both accurately and on time, so we would be really grateful if you could spare a moment of your time to answer the latest [Quick Poll](#) so that we can get an insight into how home working has affected those within the payroll profession.

We will publish the results of the [Quick Poll](#) in News Online.

Back to [Contents](#)

CIPP Survey: Tackling abuse within the Construction Industry

12 June 2020

To support the CIPP's written response to HMRC's consultation on potential changes to the rules to prevent tax loss from the operation of the Construction Industry Scheme (CIS), the Policy team has designed a [survey](#).

The [survey](#) aims to collect views and feedback on proposals to grant HMRC a new power to correct CIS deduction amounts claimed via Real Time Information (RTI) and on changes to existing rules, hopefully identifying any additional adjustments that could be made to tackle abuse of the CIS. The [survey](#) also asks for opinions relating to early ideas around construction supply chains.

The government recognises that most of the businesses within the construction sector meet their CIS obligations, in full and on time, however there are a minority of business that are abusing the rules by extracting cash from the tax system to falsely reduce their tax liabilities. By doing so, it allows them to gain an unfair cash-flow advantage over their competitors.

From April 2021, HMRC will have the power to correct the amount of CIS deductions claimed on a sub-contractor employer's return where they are identified as, or suspected of, claiming inaccurate amounts. Clarification on the law regarding 'material deductions' and 'deemed contractors' will also be implemented.

A new provision will be introduced which will allow HMRC to correct the CIS deduction figures on a contractor's EPS submission where there is no satisfactory evidence to support the claim.

As well as correcting the EPS figures, HMRC will prevent the employer from the offset of further CIS deductions, against their employer liabilities, for the remainder of the tax year. Consideration to continue off-setting, after a correction has been made, will be made if an employer, after the event, provides evidence to support CIS deductions suffered.

HMRC will apply interest and late payment penalties where the employer is late paying over corrected amounts. Employers will be expected to make payments which are due, on their next PAYE payment, following the correction. Payments will be due to be made on payment of PAYE following the correction.

The CIPP recognises that, particularly at present, payroll professionals are extremely busy individuals, and would really appreciate it if you could spare the time to complete the [survey](#) to feed in to the future of the operation of the CIS, and to have your say. The [survey](#) will take approximately 20 minutes to complete, and will close at 23:45 on 31 July 2020.

CIPP comment - date for your diary

The policy and research team will be hosting a virtual think tank roundtable on 6 July that will enable HMRC officials to meet with CIPP members to discuss the details of this consultations and gather views and experiences. An invitation is to be send out in the coming weeks to all full, fellow and Chartered members. But to register your interest in advance please contact the team by email to policy@cipp.org.uk

Back to [Contents](#)

CIS survey reminder: Tackling abuse within the Construction Industry

22 June 2020

A reminder to readers that the [survey](#) in relation to HMRCs consultation on tackling abuse within the construction industry is live.

Do you operate CIS suffered via your payroll? If so, are you aware of the changes that will be implements from April 2021?

From 6 April 2021, HMRC will have the power to amend an Employer Payment Summery (EPS) whereby they believe the deductions for CIS suffered are false or incorrect.

The [survey](#) asks your opinion on how this would affect you, including the timescales and evidence required posed by HMRC.

CIPP comment

As well as running this survey, the CIPP's Policy and Research team are holding a virtual think tank roundtable on 6 July 2021. You can register your interest by emailing the team at policy@cipp.org.uk

The Policy and Research thank you in advance for your assistance and commitment in completing this [survey](#) and the results will be used in our response to HMRC's consultation on this topic.

Back to [Contents](#)

CIPP Quick Poll: 46% of payroll professionals have been more productive whilst working from home

25 June 2020

To reflect the fact that many of those working within the payroll profession will have been working from home during the lockdown period, the CIPP's Policy and Research team wanted to ask how this has impacted their productivity levels.

A Quick Poll was added to gauge this, which asked:

"How has working from home affected your productivity?"

Increased my productivity – 46%
Productivity levels unchanged – 22%
Reduced my productivity – 19%
I have not been working from home – 8%
I was already working from home – 5%

The most popular answer from respondents was for increased productivity levels, which was followed by those who stated that their productivity levels have remained unchanged. 19% confirmed that their productivity levels had been negatively impacted. There were also a couple of response choices added to ensure that we could get a true representation of our readership, as there are some individuals who have not been working from home, and also those that were working remotely prior to the outbreak of coronavirus.

As the official guidance at the time of writing is for people to continue to work from home where possible, it is pleasing to see that there are more individuals who have seen their productivity levels increase, as opposed to them decreasing.

The outbreak of coronavirus has prompted many employers to request that their staff work from home, and there is much speculation that remote working will become a more prevalent practice in the future.

Back to [Contents](#)

New CIPP Quick Poll: Would you be interested in additional Specialist Interest Groups?

25 June 2020

Individuals who are members of the CIPP can access the Specialist Interest Groups (SIGs) on the dedicated area of the [CIPP website](#).

In order to enhance the experience of members, the CIPP's Policy and Research team is considering potentially adding another group, or groups, for members who are in, or serve employers in Northern Ireland and Wales. To determine if this is something that our membership would be interested in, there is a new [Quick Poll](#) which asks members if they would join a group, or groups, of this nature.

We realise that payroll professionals are increasingly busy individuals, so we would really appreciate it if you could spare a moment of your time to respond to the [Quick Poll](#).

Back to [Contents](#)

Payrollers experiences of COVID-19 - CIPP's Survey

3 July 2020

Everyone has an experience to share about life during lock down - personal, professional, health, happiness, and horrors - the CIPP Policy and Research team want to hear yours.

There is a pre-conception by many that processing pay, pensions and reward, simply requires the pressing of a button. However, we know already that many of those misconceptions have dramatically changed already due to the impact of COVID-19.

Recognised as key workers, the payroll profession, across all sectors and in all service lines, have successfully overcome many difficulties to keep the UK workforce paid, during the coronavirus pandemic.

Many payroll teams are now working remotely and are facing a daily juggle to comply with the latest legislative changes, as well as ensuring that 'business as usual' tasks and processes continue. What would normally be classed as standard tasks, such as entering a new employee onto a system, for many, have required significant changes to procedures. But we know those changes have occurred and have resulted in the continued successful delivery or normal service during anything but normal circumstances.

This week we ran virtual roundtables to discuss how our members have adapted to the changes caused by COVID-19 and the impact it had not just on how they operated payrolls, but on their mental health and personal lives.

To accompany this feedback, we have created a [survey](#), highlighting areas of interest in the hope of gaining even more insight into how payroll professionals have been affected by COVID-19.

The results of this [survey](#) along with feedback from virtual roundtables held and direct feedback from our members, will be published and shared by the team within the Coronavirus hub and we plan coverage in Professional in Payroll, Pensions and Reward.

The CIPP's Policy and Research team have created a survey to gain insight to your experiences throughout the Coronavirus Pandemic and the affect it has had on Payroll Professionals.

Back to [Contents](#)

CIPP Quick Poll: How is your employer approaching a return to the workplace?

6 July 2020

At the start of the outbreak of coronavirus, the government instructed businesses to allow employees to work from home wherever possible. As the restrictions of lockdown ease, and individuals have been, and will be, returning to the workplace, the CIPP wanted to ask its readership how employers were approaching this.

The new [Quick Poll](#) on the CIPP's News Online page asks the question:

Is your employer treating a return to the workplace as being:

- Compulsory
- Optional
- Dependent on individual circumstances
- No intentions to return to the workplace, and work will be performed remotely

We realise that the lives of payroll professionals are busy at the best of times, but that they have been particularly hectic of late, so we would really appreciate it if you could take the time to complete the [Quick Poll](#), which should only take a minute.

The CIPP will publish the results in due course via the News Online page.

Back to [Contents](#)

CIPP Survey - Tackling abuse within the Construction Industry - Final reminder

7 July 2020

A final reminder to readers that the [survey](#) in relation to HMRC's consultation on tackling abuse within the construction industry is live and will be closing on 17 July 2020.

Do you operate CIS suffered via your payroll? If so, are you aware of the changes that will be implemented from April 2021?

From 6 April 2021, HMRC will have the power to amend an Employer Payment Summery (EPS) whereby they believe the deductions for CIS suffered are false or incorrect.

The [survey](#) asks your opinion on how this would affect you, including the timescales and evidence required posed by HMRC.

A virtual roundtable, hosted by the CIPP's Policy and Research team and attended by CIPP members as well as representatives from HMRC, discussed the key topics surrounding the change, including the timeframe proposed to make corrections and the details over how sub-contractors would be advised of suspected false/incorrect submitting information.

The results of this [survey](#) and feedback from the roundtable will feed into the CIPP's formal response to HMRC's consultation on Tackling Abuse within the Construction industry.

Back to [Contents](#)

The CIPP's Carer's Leave Survey is now live

8 July 2020

The Department for Business, Energy & Industrial Strategy (BEIS) has launched a [consultation](#) which considers the potential of providing unpaid carers with a new right to a week of unpaid leave in which to provide care. The CIPP's Policy & Research team has created a [survey](#) which asks for the views of you – the payroll professionals, in order to feed into our written response.

The [survey](#) will take approximately 14 minutes to complete and will close at 23:45 on 24 July 2020. We appreciate that, now, more than ever, payroll professionals are extremely busy individuals but if you could spare the time to complete the [survey](#), this is the perfect opportunity for you to have your say.

The [survey](#) asks for feedback and opinions on the proposal to give employees a week of unpaid leave each year in order to provide care, and the consultation aims to understand:

- How carers use existing employment rights
- Who should be eligible to take the leave
- What the leave can be taken for
- How the leave would be available to take and the process behind taking the leave
- The costs and benefits to both employers and employees

Don't delay, and respond to the [survey](#) today.

Back to [Contents](#)

The Financial Conduct Authority (FCA) – Consultation on pensions, comparing the value of money of pension products and services for members

13 July 2020

The Financial Conduct Authority (FCA) are [consulting](#) on how Independent Governance Committees (IGCs) and Governance Advisory Arrangements (GAAs) compare the value for money (VfM) of pension products and services and promote the best value for pension scheme members.

The FCA want to make it simpler for Independent Governance Committees (IGCs) and Governance Advisory Arrangements (GAAs) to compare the value for money (VfM) of pension products and services.

The IGC currently oversee the VfM of workplace personal pensions provided by firms like life insurers and some self-invested personal pension (SIPP) operators. They look to provide independent oversight of workplace personal pensions in accumulation (building up pension savings) and of the investment pathway solutions that will have to be offered from 1 February 2021. They also act for consumers who are less engaged with their pension savings.

The FCA advise that the consultation would be relevant to:

- IGCs, GAAs and their advisers
- All firms that intend to provide pathway solutions and that provide FCA-regulated workplace pension products
- Third party firms that provide GAAs
- Workplace pension scheme members and their employers
- Consumer representative groups
- Trade bodies representing financial services firms
- Charities and other organisations with an interest in the ageing population and financial services
-

The proposal of this consultation stems from the FCA's and The Pensions Regulator's (TPR) commitments for regulating pensions and retirement income. One aim of this strategy is to promote a consistent approach to assessing VfM across the pensions industry. The FCA also want to avoid firms or IGCs undertaking work which adds little consumer value, but which adds to consumers' costs.

Reponses to this consultation are now open and are required to be submitted by 24 September 2020. Reponses will need to be submitted via email to cp20-09@fca.org.uk or through an [online](#) response.

The FCA have advised that you should not submit a response via the post at this time.

CIPP comment

If you would like to raise any views or discuss this consultation with the CIPP policy and research team, please email us at policy@cipp.org.uk where we will welcome your views.

Back to [Contents](#)

Payroll experiences of COVID-19 - CIPP's Survey – Reminder

13 July 2020

The payroll industry are a resilient force to be reckoned with and the challenges caused by the impact of COVID-19 have not gone unnoticed.

The CIPP policy and research team would be delighted to hear your views and experience that you have personally suffered during this challenging period by way of participation in our [survey](#) on this topic.

The [survey](#) covers areas that we have been told have affected us the most, but also gives opportunity for you to share your experiences in more detail.

The results of this [survey](#), alongside feedback from virtual roundtables held and individual experiences emailed into the team, will be published and shared by the team within the CIPP's [Coronavirus hub](#) and we plan coverage in Professional in Payroll, Pensions and Reward.

A huge thank you to those that have already taken time to complete this [survey](#) and passed onto their networks and to those that participated in the virtual roundtables and have sent the team their personal stories, your input is greatly appreciated.

Geographical extent

CIPP comment

If you would like to send a written account of how COVID-19 has affected you, we would be thrilled to hear from you. Please email us at policy@cipp.org.uk

Back to [Contents](#)

Payroll Technician Certificate: Additional Content Survey

16 July 2020

The CIPP's Payroll Technician Certificate (PTC) has been a long-standing and highly regarded component of the CIPP's qualification portfolio with thousands of students successfully achieving the qualification over the past decade.

However, the payroll and pension industries are becoming ever more complex with incessant legislative changes and technological advances. A direct consequence is the need to ensure the Payroll Technician Certificate evolves to encompass the additional subjects that the modern payroll administrator is required to learn and apply. Your opinion on the direction the Payroll Technician Certificate should evolve in is vital for determining which of these subject areas are most relevant for inclusion.

Therefore, you are invited to complete a [short questionnaire](#) to provide your valued views on this matter. The subject areas suggested for inclusion within this [questionnaire](#) are drawn from preliminary findings gained on this exact subject from the CIPP's Market Insight Survey, published in November 2019.

Opinions on this subject are sought from all payroll professionals, though responses are particularly welcomed from current or previous Payroll Technician Certificate students, their employers or those who are considering completing the qualification.

It is not the intention to remove existing subject matter from the Payroll Technician Certificate to "make room" for potential existing subject matter; instead, any additional material will be developed as optional modules which students can opt to undertake on top of the existing syllabus. For more details on the current content of the Payroll Technician Certificate, please click [here](#).

It must be stressed that as personal details are not required for this [questionnaire](#), nor are they stored on the software used. It will, therefore, not be possible to withdraw your answers once submitted.

Nonetheless, the information provided will remain anonymous and be kept in accordance with Data Protection Act 2018 and only used for quantifiably analysing the merits of including the subject matter posed within the Payroll Technician Certificate.

The [questionnaire](#) should take no longer than five minutes to complete and will be open until 23:45 on Monday 20 July 2020.

I thank you in advance for your support. Your opinions can make a real difference to the continued success of the CIPP and help ensure we continue to focus our efforts on the support of current and future payroll and pension professionals.

[Back to Contents](#)

Reminder: The CIPP's Carer's Leave Survey is still live

17 July 2020

The Department for Business, Energy & Industrial Strategy (BEIS) has launched a [consultation](#) which considers the potential of providing unpaid carers with a new right to a week of unpaid leave in which to provide care. The CIPP's Policy & Research team has created a [survey](#) which asks for the views of you – the payroll professionals, in order to feed into our written response.

The [survey](#) will take approximately 14 minutes to complete and will close at 23:45 on 24 July 2020. We appreciate that, now, more than ever, payroll professionals are extremely busy individuals but if you could spare the time to complete the [survey](#), this is the perfect opportunity for you to have your say.

The [survey](#) asks for feedback and opinions on the proposal to give employees a week of unpaid leave each year in order to provide care, and the consultation aims to understand:

- How carers use existing employment rights
- Who should be eligible to take the leave
- What the leave can be taken for
- How the leave would be available to take and the process behind taking the leave
- The costs and benefits to both employers and employees

Don't delay, and respond to the [survey](#) today.

[Back to Contents](#)

New Quick Poll: Readiness for off-payroll working reforms

20 July 2020

It has been impossible to discuss most things over the course of the past few weeks and months without reference to the words pandemic, coronavirus or COVID-19. Although Rishi Sunak confirmed at Budget 2020 that the off-payroll working reforms would go ahead from 6 April 2020, the outbreak of coronavirus changed all of this and, on 18 March 2020, the government confirmed that the reforms would be delayed until 6 April 2021.

This may seem to be quite far away in the distant future, but the time will rapidly come around, and businesses need to ensure that they are ready for the changes to the off-payroll working rules in order to ensure that they are compliant with them. There are many individuals still lobbying for the reforms to be delayed further, and there are also those that are calling for them to be abolished in their entirety.

To establish how prepared payroll professionals are for the imminent off-payroll working reforms, the CIPP's Policy and Research team has included a new [Quick Poll](#) on the News Online page.

We recognise that, now more than ever, payroll departments are extremely busy but the [Quick Poll](#) will take less than a minute to respond to, and will help to determine how prepared businesses within the UK are, on a whole, for the upcoming changes to the rules.

Thank you in advance for the time taken to respond to the [Quick Poll](#), and to feed into research on the preparedness for the reforms to off-payroll working rules from 6 April 2021.

The CIPP's Quick Poll: More employers are making a return to the standard workplace mandatory as opposed to optional

20 July 2020

To reflect the fact that, as lockdown gradually eases, more and more employers are beginning to bring employees back into their ordinary workplaces, the CIPP's Policy and Research team wanted to gauge the basis on which this return was being actioned.

There are still employees who are concerned about the risks posed by coronavirus as they return to their standard place of work, particularly those who have to commute using public transport. In response to this, on our News Online page, we posed the question, "Is your employer treating a return to the workplace as being....?"

Dependent on individual circumstances: 32%

Compulsory: 24%

No intentions to return to the workplace, and work will be performed remotely: 18%

Optional: 13%

Nothing confirmed as yet: 13%

The most popular response highlighted the fact that the return to the workplace was being actioned with considerations based on the individual circumstances of employees, meaning that some employees were being bought back into the normal workplace, whereas others would still remain on furlough, or continue to work remotely.

The remaining results were mixed, but more respondents confirmed that the return was being treated as a compulsory move at 24%, with only 13% stating that the return was optional.

In line with many news reports that have been published over the past few weeks and months, the results of the Quick Poll do suggest that significantly higher numbers of staff could continue to work remotely on a permanent basis, as 18% selected this option.

13% revealed that nothing had been confirmed at the time of their response to the Quick Poll, and that they were still awaiting news on their employer's plans for the future.

[Back to Contents](#)

Last chance to complete the CIPP's survey: the challenges of furlough at the frontline

21 July 2020

Everyone has an experience to share about life during lock down - personal, professional, health, happiness, and horrors - the CIPP Policy and Research team want to hear yours.

There is a pre-conception by many that processing pay, pensions and reward, simply requires the pressing of a button. However, we know already that many of those misconceptions have dramatically changed already due to the impact of COVID-19.

Recognised as key workers, the payroll profession, across all sectors and in all service lines, have successfully overcome many difficulties to keep the UK workforce paid, during the coronavirus pandemic.

Many payroll teams are now working remotely and are facing a daily juggle to comply with the latest legislative changes, as well as ensuring that 'business as usual' tasks and processes continue. What would normally be classed as standard tasks, such as entering a new employee onto a system, for many, have required significant changes to

procedures. But we know those changes have occurred and have resulted in the continued successful delivery or normal service during anything but normal circumstances.

We ran virtual roundtables to discuss how our members have adapted to the changes caused by COVID-19 and the impact it had not just on how they operated payrolls, but on their mental health and personal lives.

To accompany this feedback, we have created a [survey](#), highlighting areas of interest in the hope of gaining even more insight into how payroll professionals have been affected by COVID-19.

The results of this [survey](#) along with feedback from virtual roundtables held and direct feedback from our members, will be published and shared by the team within the Coronavirus hub and we plan coverage in Professional in Payroll, Pensions and Reward.

Back to [Contents](#)

Final call: The CIPP's carer's leave survey

23 July 2020

The Department for Business, Energy & Industrial Strategy (BEIS) has launched a [consultation](#) which considers the potential of providing unpaid carers with a new right to a week of unpaid leave in which to provide care. The CIPP's Policy & Research team has created a [survey](#) which asks for the views of you – the payroll professionals, in order to feed into our written response.

The [survey](#) will take approximately 14 minutes to complete and will close at 23:45 on 24 July 2020. We appreciate that, now, more than ever, payroll professionals are extremely busy individuals but if you could spare the time to complete the [survey](#), this is the perfect opportunity for you to have your say.

The [survey](#) asks for feedback and opinions on the proposal to give employees a week of unpaid leave each year in order to provide care, and the consultation aims to understand:

- How carers use existing employment rights
- Who should be eligible to take the leave
- What the leave can be taken for
- How the leave would be available to take and the process behind taking the leave
- The costs and benefits to both employers and employees

Don't delay, and respond to the [survey](#) today.

Back to [Contents](#)

CIPP Webcast: Summer Economic Statement 2020

23 July 2020

The CIPP's Policy and Research team have created a brand new [webcast](#), which provides an overview of the measures announced by Rishi Sunak in his Summer Economic Statement 2020, intended to kickstart the UK's economy after the turbulence and uncertainty caused by the outbreak of coronavirus.

With primary focus placed on the elements that will impact the roles of payroll professionals, the [webcast](#) covers details of the Job Retention Bonus, the Kickstart Scheme and the government's plans for boosting worksearch, skills and apprenticeships. This is in addition to a more general overview of the other measures announced by the Chancellor.

The [webcast](#) also examines the role of payroll throughout the duration of the pandemic, and how payroll professionals have worked tirelessly to ensure that the UK has been paid, both correctly and on time. This could have implications

for the future, and raise the profile of the profession, ensuring that payroll secures its place at board level and strategic meetings within businesses.

[Back to Contents](#)

Apprenticeship Levy – survey

29 July 2020

With the Chancellor of the Exchequer, Rishi Sunak, announcing at the [Summer Budget](#) additional incentives for employers to take on apprentices, the policy and research team are keen to know how employers are, if at all, using their levy funding and if with the additional incentive, are considering utilising funds.

To gather an insight, the team have put together a short [survey](#), asking employers several questions on the subject. We appreciate that at present all are extremely busy, however this short [survey](#), which takes around five minutes to complete, will present valuable information to the team and its findings will be distributed via the CIPP media channels.

[Back to Contents](#)

Quick Poll response: Only 34% are ready for the off-payroll working reforms, due to be implemented from 6 April 2021

5 August 2020

It seems like no time at all since the main topic of discussion in the payroll sphere seemed to be the off-payroll working reforms, due to be implemented in the private sector from 6 April 2020. Even at Budget 2020, the Chancellor, Rishi Sunak, confirmed that the changes would take place as planned, but then a matter of days later the news broke that, due to coronavirus, the reforms would be halted, to instead take effect from 6 April 2021.

Many individuals and businesses are still appealing to the government to delay the reforms further, with others calling for them to be abolished completely. However, on 1 July 2020, the off-payroll working clause and schedule within the Finance Bill passed successfully through Report Stage in the House of Commons, and it is expected to receive Royal Assent shortly. This means that the changes will be implemented from 6 April 2021, and no further delay imposed. In recognition of this, the CIPP's Policy and Research team wanted to ask members how prepared they are for the off-payroll working reforms, and so hosted the question "How prepared are you for the off-payroll working reforms from April 2021?"

The answers were as follows:

Ready for the off-payroll working reforms: 34%
Not ready for the off-payroll working reforms: 17%
Starting to prepare for the off-payroll working reforms: 17%
Due to the outbreak of coronavirus, there will be no requirement to use off-payroll workers: 12%
Hoping that the reforms will be delayed again: 10%
Responding from the public sector, where the reforms have already been implemented: 10%

The responses highlight the fact that only 34% of companies are completely ready for the off-payroll working reforms, with some beginning to prepare for the changes but with others stating that they are not ready at all. April 2021 will come around quickly, so businesses should really begin to prepare now.

There are still individuals who are hoping that the reforms will be delayed once more, but due to the recent developments with the Finance Bill, that is looking more and more unlikely. Some businesses will no longer require the use of off-payroll workers due to the outbreak of coronavirus. Whilst 10% of responses came from the public sector where off payroll reform began in April 2017, they too will be impacted by further changes in April 2021.

[Back to Contents](#)

New Quick Poll: Opinions on lowering the default charge cap on DC workplace pension schemes

5 August 2020

The Department for Work and Pensions (DWP) has launched a [call for evidence](#), which seeks views and feedback on the effect of the level of the pension charge cap, which currently stands at 0.75% of funds within Defined Contribution (DC) pension schemes used for Automatic Enrolment (AE).

The charge cap is a limit to the annual amount that a pension scheme can charge its members who are saving into it. The cap is applicable to all scheme administration and investment costs.

Upon reflection of this, the CIPP's Policy and Research team wanted to ask members their views on the matter, so currently there is a [Quick Poll](#) question, which asks:

"Do you agree with the government's proposals to lower the default charge fund cap on DC workplace pension schemes?"

We understand that, particularly at present, payroll professionals are extremely busy individuals, but the [Quick Poll](#) will take less than a minute to respond to.

Back to [Contents](#)

Reminder – survey on the Apprenticeship Levy

10 August 2020

With the Chancellor of the Exchequer, Rishi Sunak, announcing at the [Summer Budget](#) additional incentives for employers to take on apprentices, the policy and research team are keen to know how employers are, if at all, using their levy funding and if with the additional incentive, are considering utilising funds.

To gather an insight, the team have put together a short [survey](#), asking employers several questions on the subject.

Thank you to those who have so far completed the survey, we really do appreciate your input at such a busy time. This short [survey](#), which takes around five minutes to complete, will present valuable information to the team and its findings will be distributed via the CIPP media channels. It is still available for you to complete. The policy and research team thank you in advance.

Back to [Contents](#)

New Quick Poll: Are you planning to use the Job Retention Bonus?

13 August 2020

The Coronavirus Job Retention Scheme (CJRS) will close at the end of October 2020, and businesses will be beginning to think about bringing more employees back to work on a full-time basis. In light of this, the CIPP's Policy and Research team wanted to ask how many businesses were intending on accessing the Job Retention Bonus.

The team has added a new Quick Poll to the News Online [page](#), and would like members to respond, where possible. We understand that payroll professionals are extremely busy individuals at the moment, but the [Poll](#) should take less than a minute to respond to, and we would really appreciate any feedback that we receive.

The Job Retention Bonus was announced within the Summer Economic Statement, and will be paid to businesses who bring employees back to work after a period of furlough, who remain in employment from 1 November 2020 to 31 January 2021. Employees must earn an average of at least £520 per month in that three-month period. If the qualifying criteria are met, then employers will receive a one-off payment of £1,000 per employee.

Answer the CIPP's latest Quick Poll [here](#).

Back to [Contents](#)

Reminder: The Apprenticeship Levy survey is still open!

14 August 2020

As it was announced within the Chancellor's Summer Economic Statement that additional incentives will be given to businesses who employ apprentices, the CIPP's Policy and Research team wanted to investigate whether or not businesses are using their levy funding, and if the additional bonuses will prompt them to utilise the funds.

A short [survey](#) has been assembled which queries the subject.

Thank you to everybody who has already taken the time to respond to the survey. It should only take approximately five minutes to complete. We realise that everyone is extremely busy at the moment, and we really appreciate your input, as always.

The findings of the [survey](#) will be published on the CIPP's various media channels, so don't miss the opportunity to have your say and feed in to a piece of exciting research!

Back to [Contents](#)

Quick Poll results: 48% of companies intending to use the Job Retention Bonus

20 August 2020

Following on from the announcement that any businesses bringing employees back to work after a period of furlough between November 2020 and January 2021 will be able to claim a one-off £1,000 payment per eligible employee, known as the Job Retention Bonus, the CIPP's Policy and Research team wanted to ask if companies were intending on using it.

In order to establish the extent to which the scheme will be utilised, the team hosted a question on the CIPP's [News Online page](#).

The question asked:

'Are you intending to make use of the Job Retention Bonus?'

The answer that commanded the most responses was for 'yes', with 48% of respondents confirming that they do indeed intend on making use of the Job Retention Bonus scheme. 28% of the responses were for 'no'. Additionally, 15% did not know what the Job Retention Bonus was, and 9% were undecided on whether to use it or not at the point of responding to the Quick Poll.

There is some [guidance](#) available on the Job Retention Bonus, with the promise of further detail to be released in September 2020.

Employers can claim for the Job Retention Bonus for employees that:

- Were furloughed and had a Coronavirus Job Retention Scheme (CJRS) claim submitted for them that met all relevant eligibility criteria for the scheme
- Have been continuously employed by the relevant employer from the time of the employer's most recent claim for that employee until at least 31 January 2021
- Have been paid an average of at least £520 a month between 1 November 2020 and 31 January 2021 (a total of at least £1,560 across the 3 months). The employee does not have to be paid £520 in each month, but must have received some earnings in each of the three calendar months that have been paid and reported to HMRC via RTI;
- Have up-to-date RTI records for the period to the end of January
- Are not serving a contractual or statutory notice period, that started before 1 February 2021, for the employer making a claim

[Back to Contents](#)

New Quick Poll: The effect of the Job Retention Bonus on redundancies

20 August 2020

There is a new [Quick Poll](#) available to take on the CIPP's News Online page. Following on from the most recent question, which asked if companies were intending to use the Job Retention Bonus, the Policy and Research team wanted to delve deeper and enquire if, for those companies who will be using it, this has had an impact on their imminent employment plans.

The [Quick Poll](#) will only take a minute or less to complete, and your responses will help feed in to research on the Job Retention Bonus. This question is the second in a trilogy of questions on the topic of the bonus, as the Policy and Research team explores how far businesses will be utilising the variety of measures introduced by Chancellor of the Exchequer, Rishi Sunak, within his Summer Economic Statement.

As always, we really value and appreciate your feedback, and would like to thank you in advance for participating in the latest [Quick Poll](#).

[Back to Contents](#)

Final Reminder: The Apprenticeship Levy survey is still open!

21 August 2020

With additional incentives announced within the Chancellor's Summer Economic Statement for employers who employ apprentices from August 2020, the CIPP's Policy and Research team wanted to explore whether or not businesses are using their levy funding, and if the additional bonuses will prompt them to utilise the funds.

A short [survey](#) has been compiled which queries the subject, which closes on 31 July 2020.

Thank you to everybody who has already taken the time to respond to the survey. It should only take approximately five minutes to complete. We realise that everyone is extremely busy at the moment, and we really appreciate your input, as always.

The findings of the [survey](#) will be published on the CIPP's various media channels, so don't miss the opportunity to have your say and feed in to a piece of exciting research!

[Back to Contents](#)

Webcast: Student Loans – a look to the future

24 August 2020

In recognition of the fact that there will be a new Scottish Student Loan repayment plan – repayment plan four, from 6 April 2021, and that a draft Starter Checklist form has been compiled, to include this new repayment plan type, the CIPP's Policy and Research team has put together a brief [webcast](#) on the topic of Student Loans, and it is now available for you to watch.

The [webcast](#), which is approximately seven minutes long, discusses the operation of the Student Loan, a new Scottish Student Loan plan, the new draft Starter Checklist form, and also details what the thresholds for Student Loans for tax year 2021-22 will be, following on from the recent announcement from the Department for Education (DfE).

If you are looking for a quick and easy way to update yourself with the latest developments relating to the Student Loan, then this [webcast](#) is ideal for you.

Back to [Contents](#)

Quick Poll results: 76% of businesses hoping to use the Job Retention Bonus confirm that it will have no impact on their immediate employment plans

28 August 2020

Following on from the previous Quick Poll question, which asked if companies were intending to make use of the Job Retention Bonus, the CIPP's Policy and Research team wanted to explore further and to ask additional questions about the bonus.

The follow up question that was posed, asked whether, for those businesses planning to utilise the Job Retention Bonus, the bonus was having an effect on any of the imminent employment plans of businesses. The results are now here!

The resounding answer was no, with 76% of responses confirming that use of the Job Retention Bonus would have no effect on the imminent employment plans of businesses. The remaining 24% stated that the Job Retention Bonus would result in a reduced level of immediate redundancies.

The one-off payment of £1,000 per eligible employee was announced within Rishi Sunak's Summer Economic Statement, and was introduced with the aim of encouraging businesses to take employees off furlough, once the Coronavirus Job Retention Scheme (CJRS) closes at the end of October, and to get them back into work. Guidance on the Job Retention Bonus can be found [here](#), and it has been confirmed that more detailed information will be published in September 2020.

Back to [Contents](#)

New Quick Poll: Process changes due to eligibility criteria for the Job Retention Bonus

28 August 2020

In the final of a series of [Quick Poll](#) questions that ask about the Job Retention Bonus, the CIPP's Policy and Research team wanted to establish whether or not businesses have had to alter their processes in any way to ensure they meet the eligibility criteria for the Job Retention Bonus.

HMRC has made it clear that, in order to qualify for the Job Retention Bonus, businesses must ensure that all employee records are up-to-date and accurate, with particular emphasis on the correct employee details and wages being reported to HMRC via Full Payment Submissions (FPS). The [guidance page](#) on the bonus also makes reference

to the fact that employers should check that all claims made under the Coronavirus Job Retention Scheme (CJRS) have been submitted correctly, with any amendments being reported to HMRC.

The [Quick Poll](#) sits within the CIPP's News Online page, and will take less than a minute to respond to. We know how busy you all are, so we really appreciate the feedback that we receive. Thank you in advance for taking the time to answer the latest [Quick Poll](#).

Back to [Contents](#)

CIPP Survey: Employer's National Insurance Contributions holiday for businesses employing veterans

7 September 2020

One of the pledges in the Conservative manifesto 2019 related to "*reducing National Insurance contributions for employers if they employ ex-Service personnel.*" It has since been confirmed that, from 6 April 2021, any businesses employing veterans will not pay employer National Insurance (NI) contributions on their wages for the first 12 months of their civilian employment.

HMRC has published a [consultation](#), which aims to seek clarity on how the government should define the 'veterans' that would be eligible for this relief, if there are any employment periods that should qualify and fundamentally, how the new policy should be administered effectively.

The CIPP's Policy and research team will be submitting a formal written response to the consultation and wants to include the opinions of our members. We have, therefore, constructed a [survey](#), which asks for your feedback by asking a variety of questions that delve in to the finer details of how the new policy should be operated.

The [survey](#) will take approximately 15 minutes to complete, and will remain open for responses until 11:45 PM on 30 September 2020. We understand that payroll professionals are exceptionally busy at the moment, but would really appreciate any time that you can dedicate to answering the [survey](#). This is your opportunity to feed in to a government policy that will shape the work that payroll professionals carry out.

Back to [Contents](#)

Quick Poll results: 52% confirm that they have had to adapt their processes to ensure compliance with the CJRS and record checking due to the eligibility for the Job Retention Bonus

10 September 2020

In the final of a trilogy of questions on the topic of the Job Retention Bonus, the CIPP's Policy and Research team launched a Quick Poll which asked if payroll teams have had to amend their processes in order to ensure compliance with the Coronavirus Job Retention Scheme (CJRS), and to confirm that their employee records are up-to-date, as accuracy is key when considering eligibility for the Job Retention Bonus.

Gov.UK [guidance](#) on the Job Retention Bonus clearly states:

"Employers should ensure that their employee records are up-to-date, including accurately reporting their employee's details and wages on the Full Payment Submission (FPS) through the Real Time Information (RTI) reporting system. Employers should also make sure all of their Coronavirus Job Retention Scheme claims have been accurately submitted and any necessary amendments have been notified to HMRC."

The question on the News Online page asked:

“Have you had to change your processes to ensure full compliance with the Coronavirus Job Retention Scheme and record checking due to the eligibility criteria for the Job Retention Bonus?”

Yes: 52%
No: 48%

Whilst there isn't a massive difference in the response rates, the majority of respondents have confirmed that they did indeed have to change their processes. This suggests that many of those who have claimed under the CJRS may have submitted erroneous claims and / or that they have needed to check all of their employee records in order to guarantee that all information is accurate and up to date. For those who have not needed to alter their processes, they will have had to guarantee that they had robust audit and checking processes in place, to prevent the withholding of bonus payments, or the need to repay any CJRS overclaims.

The Job Retention Bonus will be payable to eligible businesses who bring furloughed staff back to the office, from November 2020 until January 2021, and pay an average of £520 per month.

[Back to Contents](#)

New Quick Poll: The biggest challenges payroll departments face when processing the December payroll

10 September 2020

There will no doubt be a sea of groans at the fact that Christmas is being mentioned in September, but it is crucial for payroll professionals to be mindful of the fact that December will be here in no time at all! As the CIPP's Policy and research team explore the challenges that payroll teams face during the processing month of December, we have posted a new [Quick Poll](#) online to gather the views of our members.

December is typically a shorter payroll month for the majority of businesses, as they aim to pay their staff ahead of Christmas day, but this obviously has repercussions for those working within the payroll department, as they must ensure that everyone is still paid correctly, but in a much shorter timeframe. There are associated Real Time Information (RTI) considerations that must be observed to ensure that payroll is processed accurately, and in accordance with HMRC rules. It may also be the case that employers choose to offer additional perks over the festive period, such as a bonus or a gift of some description. This is to be applauded but, again, these pay elements will attract certain tax and NI implications, all of which the payroll professional must consider in their work. It can also be difficult to obtain this additional information from other departments in some scenarios.

We realise that payroll professionals are extremely busy at the moment, but the [Quick Poll](#) will take less than a minute to respond to. We really appreciate all of the feedback from our members, and so would like to thank you in advance for your input. This is your chance to have your say and feed into research in the payroll sphere.

[Back to Contents](#)

CIPP Survey - The Net Pay Anomaly: Call for evidence on pensions tax relief administration

10 September 2020

To support the CIPP's response to the net pay anomaly: [Call for evidence on pensions tax relief administration](#), the policy team have produced a [survey](#) to gain your views on the proposed methods to tackle this issue. The auto-enrolment threshold is for earnings above £10,000, but the current basic tax threshold is £12,500, therefore, anybody who is earning between £10,000 and £12,500, and in a net pay arrangement pension scheme will have a full pension deduction taken from their pay, but will not receive any tax benefit on this contribution as they have not earned enough to attract tax on their earnings. If they were in a relief at source arrangement, they would only have 80% of the contribution taken from their net pay, which would then be topped up with 20% from HMRC and they would therefore enjoy the benefit of tax relief.

Employees who do not earn £10,000 or above to meet the threshold for auto-enrolment but can ask to be added into a pension will also be affected. This is also true for individuals who don't reach the threshold, but in some pay periods experience a pay spike, e.g. they receive a bonus. If this pay spike pushes them into the £10,000 earnings bracket for that pay period and there are further spikes in subsequent pay periods, then contributions will be taken in line with auto-enrolment legislation but, again, there will be no tax benefit to the employee if they have not have earned enough for tax deductions to be taken.

On the other hand, in a relief at source arrangement, employees who are earning within the higher and additional tax brackets only receive a 20% top up to their pension pots from HMRC through payroll, as opposed to the 40% and 45% they are entitled to (21%, 41% or 46% in Scotland). In order to receive the extra relief due to them, these individuals need to complete a self-assessment tax return.

Many of those affected by this may not be aware of the processes they need to follow to receive the relief or may not be aware of the additional entitlement at all. Although, in an unusual twist, Scottish taxpayers on the starter rate of 19% also receive the 20% top up.

The government is concerned about the potential for a low-earning individual's take-home pay to be affected by the method of pensions tax relief operated by their pension scheme, and is keen to explore this issue further to understand what deliverable options for change may exist. This call for evidence seeks to gather evidence on the operation of both main methods of administering pensions tax relief and what improvements might be made.

Throughout the [survey](#), we will concentrate on the two main ways that an individual receives income tax relief when saving some of their earnings into a pension. We look to cover the methods proposed to tackle the anomaly, and seek feedback from the payroll profession as to which method you believe would be most suited to tackle the anomaly and how each proposed method would affect your pension administration processes.

The policy team appreciate how busy payrollers are at present, therefore, we really appreciate your feedback on this important issue. To have your say, please complete our [survey](#) which takes around 20 minutes to complete by clicking [here](#).

Back to [Contents](#)

Reminder: CIPP Survey: Employer's National Insurance Contributions holiday for businesses employing veterans

14 September 2020

HMRC is currently running a [consultation](#), which aims to seek clarity on a number of details relating to the new employer National Insurance (NI) contributions holiday for employers of veterans, to support their transition to civilian life.

Originally put forward as one of the pledges in the 2019 Conservative manifesto, the government committed to *"reducing National Insurance contributions for employers if they employ ex-Service personnel"*, and it has now been confirmed that, from 6 April 2021, organisations who employ veterans will not be required to pay employer NI contributions on their wages for the initial 12 months of their civilian employment.

The CIPP's policy and research team have collated a [survey](#), and will be submitting a formal response to the consultation, which will include the opinions of members expressed within the [survey](#). The questions include a mix of questions that explore the more specific details of how the new policy should be implemented and administered.

The [survey](#) will take around 15 minutes to complete, and you have the opportunity to respond until 11:45 PM on 30 September 2020. Payroll professionals are consistently busy individuals, and particularly so at the moment, given current circumstances. We do really appreciate any time that you can dedicate to responding to the survey, and this is your opportunity to help to shape future policy that will impact the work carried out by payroll teams.

Back to [Contents](#)

The CIPP's formal response: Tackling Construction Industry Scheme abuse

15 September 2020

HMRC ran a [consultation](#) that looked at the ways in which abuse in the Construction Industry Scheme (CIS) could be prevented. The CIPP, after hosting a survey and running a virtual roundtable think tank meeting, submitted a formal response, which can be located [online](#).

The consultation discussed a new power for HMRC to correct CIS deduction amounts claimed by sub-contractors on employer returns, detailed amendments to some of the CIS rules in order to confirm their meaning or expand their scope, and also looked at some preliminary ideas relating to construction supply chains and how they could potentially help to prevent tax loss. It was open from 19 March 2020 to 28 August 2020.

The key findings presented in the CIPP's response were as follows:

- The proposed timing of corrections to be made is not long enough, and 14 days was deemed to be too short to enable any amendments, or to gain evidence to back up what's been submitted
- The majority of people are in agreement with the evidence requirements
- Members raised concerns over how non-compliance will be notified
- Questions were put forward around how HMRC would determine that a claim was not legitimate – i.e. what would instigate an investigation?
- Software providers should be consulted with about how non-compliance will be actioned and communicated
- Further guidance on compliance should be issued
- Survey results confirmed that subcontractors were happy with compliance checks already carried out, and that any further official testing would be detrimental

The response can be read in its entirety [here](#).

Back to [Contents](#)

Reminder – CIPP Survey – The Net Pay Anomaly: Call for evidence on pensions tax relief administration

18 September 2020

There's still time for you to respond to the [survey](#) that the CIPP's Policy and Research team have published, in order to collate the views of members and incorporate them into our formal response to the net pay anomaly: [call for evidence on pensions tax relief administration](#).

The [survey](#) focuses on the issue that arises for individuals who earn above £10,000, so over the auto-enrolment threshold, but below the current basic tax threshold of £12,500. In a net pay arrangement pension scheme, they will have a full pension deduction taken from their pay, without receiving any tax benefit on this contribution as they have not earned enough for tax to be applied to their earnings. If an individual is in a relief at source arrangement, however, they would only have 80% of the contribution deducted from their net pay, which would subsequently be topped up with 20% from HMRC, meaning that they would enjoy the benefit of tax relief.

The government is concerned about the possible impact of this on a low-earning individual's take-home pay, based on the method of pensions tax relief that is operated by the pension scheme that they are enrolled in. Intentions for the government to look into this were made clear in the [Conservative manifesto 2019](#), which stated:

“A number of workers, disproportionately women, who earn between £10,000 and £12,500 have been missing out on pension benefits because of a loophole affecting people with net pay pension schemes. We will conduct a comprehensive review to look at how to fix this issue.”

The call for evidence aims to discuss improvements that can be made to the methods of administering pensions tax relief. Within the [survey](#), we ask for your feedback on the government's proposed methods of fixing the pensions anomaly issue. This is an important topic for payroll and pension professionals to have their say on, so although we understand you are all very busy, we would really appreciate any time you can dedicate to respond to the [survey](#). It should take approximately 20 minutes to complete, and the [survey](#) will be open until 30 September 2020.

Back to [Contents](#)

Reminder – CIPP Survey – Employer’s National Insurance Contributions holiday for businesses employing veterans

21 September 2020

In order to establish several of the finer details relating to the new employer National Insurance (NI) contributions holiday for businesses that employ veterans, which will be introduced from April 2021, HMRC has published a [consultation](#), which the CIPP’s Policy and Research team will be producing a formal written response to.

In order to encompass the views and feedback of members in the response, the team has produced a [survey](#), which will take approximately 15 minutes to complete, and will be open until 11:45 PM on 30 September 2020. Whilst we understand that payroll professionals are extremely busy at the current time, we would really appreciate any feedback that you can provide, and this is an opportunity for you to share your views, and potentially influence future policy.

The [survey](#) includes a variety of questions, and focuses on the main areas of interest within the consultation, including comments on:

- How the government intends to define ‘veterans’ for the relief
- How to define the qualifying period for the relief
- How the relief could be effectively administered

Don’t miss your chance to contribute, and access the [survey](#) today!

Back to [Contents](#)

CIPP Quick Poll results: 83% of payroll professionals state that the shorter processing month in December is the biggest challenge they face in relation to the Christmas payroll run

22 September 2020

Although we are currently only in September, December will come around quickly. In recognition of the fact that payroll professionals face some substantial hurdles ahead of the Christmas payroll run, the CIPP’s Policy and Research team wanted to ask the payroll profession what they perceive to be the biggest challenge when processing the payroll in that month.

The results, unsurprisingly, highlighted the fact that the majority of payroll professionals find the shorter processing month the most tasking element of December, with 83% of respondents citing this as their main challenge. The least popular response, besides those who stated that something else gave them the biggest headache, was for Real Time Information (RTI) considerations, with 4% confirming that this challenged them most. This is, due to the fact that, when the pay date is brought forward, to pay staff ahead of Christmas day, the payroll department must ensure that they report the correct date on their Full Payment Submission (FPS). Even though the pay date is moved earlier, the contractual pay date should still be recorded on the FPS. So, if, for example, a business ordinarily pays staff on the 31st of the month, but pays them on the 18th December, the date on the FPS should remain as the 31st.

The full breakdown of the response to the question, “Although we are currently only in September, the notorious December payroll will come around quickly. What is the biggest challenge in your payroll department ahead of Christmas pay day?” is as follows:

Shorter processing month: 83%
Obtaining additional information from different departments: 7%
Additional pay elements, and the associated tax and NI implications to be considered, e.g. Christmas bonus, Christmas gifts: 5%
RTI considerations: 4%
Other, please email Policy@cipp.org.uk if there is something else that challenges you most about the December pay day: 1%

The 1% ‘other’ responses are challenged in the main by the impact that annual leave and bank holidays have on the authorisation process i.e. managers taking leave even though there isn’t a widespread company shut down. The

renewal of benefit years in January also adds significantly to the December workload. Thank you to all members who responded to this quick poll, if you have a challenge that isn't already covered please let us know by email to policy@cipp.org.uk.

[Back to Contents](#)

New CIPP Quick Poll: Do businesses support employees through the longer pay period in January?

22 September 2020

As more and more emphasis is placed on financial wellbeing, and with businesses being encouraged to provide their staff with financial support and to provide financial education, the CIPP's Policy and research team wanted to ask if organisations have put anything in place to support their staff through the long month of January.

The team have posted a new [Quick Poll](#), which asks the question: "As January is a long month due to most businesses offering an earlier pay date in December, what do you do to assist employees?". The poll will take less than a minute to respond to, and we would like to thank you in advance, as always, for your feedback.

It is a common practice for organisations to pay their staff earlier in December, so that they receive a wage ahead of Christmas day. Whilst this is widely appreciated, it does mean that there is a longer period between the December pay date and the January pay date, and it is commonly accepted that January can be a long month for employees, and that some struggle financially as a result of this.

[Back to Contents](#)

Final Reminder – CIPP Survey – The Net Pay Anomaly: Call for evidence on pensions tax relief administration

24 September 2020

There's still time for you to respond to the [survey](#) that the CIPP's Policy and Research team have published, in order to collate the views of members and incorporate them into our formal response to the net pay anomaly: [call for evidence on pensions tax relief administration](#).

The [survey](#) focuses on the issue that arises for individuals who earn above £10,000, so over the auto-enrolment threshold, but below the current basic tax threshold of £12,500. In a net pay arrangement pension scheme, they will have a full pension deduction taken from their pay, without receiving any tax benefit on this contribution as they have not earned enough for tax to be applied to their earnings. If an individual is in a relief at source arrangement, however, they would only have 80% of the contribution deducted from their net pay, which would subsequently be topped up with 20% from HMRC, meaning that they would enjoy the benefit of tax relief.

The government is concerned about the possible impact of this on a low-earning individual's take-home pay, based on the method of pensions tax relief that is operated by the pension scheme that they are enrolled in. Intentions for the government to look into this were made clear in the [Conservative manifesto 2019](#), which stated:

"A number of workers, disproportionately women, who earn between £10,000 and £12,500 have been missing out on pension benefits because of a loophole affecting people with net pay pension schemes. We will conduct a comprehensive review to look at how to fix this issue."

The call for evidence aims to discuss improvements that can be made to the methods of administering pensions tax relief. Within the [survey](#), we ask for your feedback on the government's proposed methods of fixing the pensions anomaly issue. This is an important topic for payroll and pension professionals to have their say on, so although we understand you are all very busy, we would really appreciate any time you can dedicate to respond to the [survey](#). It should take approximately 20 minutes to complete, and the [survey](#) will be open until 30 September 2020.

[Back to Contents](#)

Winter Economy Statement - webcast

28 September 2020

The policy and research team has produced a short webcast covering the main announcements given in the Winter Economy Statement by the Chancellor, Rishi Sunak.

The webcast covers the initial guidance given on the Job Support Scheme (JSS), the extended support given under the Self-Employed income Support Scheme (SEISS) and the additional measures to help support the economy during this difficult time caused by the COVID-19 pandemic.

Access to the webcast can be found [here](#).

In addition, HMRC has published factsheets on the [JSS](#) and [SEISS](#) schemes. Further guidance will be published by HMRC which we will detail first on News then cascade through our social media channels.

Back to [Contents](#)

52% of businesses do nothing to support employees through the longer wait for January pay day

1 October 2020

It is no secret that a substantial amount of people state that they find the period between the December pay date, which is often made early to pay staff before Christmas, and the January pay date, a difficult time. Considering how expensive Christmas can be, and the fact that January is a long month anyway, it is clear to see why individuals may find themselves in financial dire straits prior to that January pay packet.

In recognition of this fact, the CIPP's Policy and research team wanted to enquire whether there is anything that businesses do to support their staff through to the January pay day. In order to gauge this, the following question was posed on the CIPP's News Online page:

"As January is a long month due to most businesses offering an earlier pay date in December, what do you do to assist employees?"

Nothing: 52%

We maintain the regular pay day in December, so this is not an issue: 40%

We offer a December bonus: 4%

We offer advances: 2%

We offer a Christmas savings scheme: 1%

We provide financial education on budgeting: 1%

The Quick Poll results highlight the fact that the majority of businesses do nothing to help their employees financially through to the January pay date, whilst 40% confirm that their December pay date actually remains unchanged, so there are no issues with employee pay in January. Businesses may want to reach out to their staff to establish whether or not this is a prevalent issue for their workforce, and consider putting something in place if it becomes apparent that this is a problem for a large number of their employees.

Shockingly, overall, only 8% of businesses stated that they have measures in place to help employees in relation to the January pay day. 4% offer a Christmas bonus, whilst 2% offer advances. A further 1% offer employees the option of joining a Christmas savings scheme, and 1% provide financial education on budgeting.

Back to [Contents](#)

New Quick Poll: Accessing HMRC guidance online

1 October 2020

Guidance relating to the Coronavirus Job Retention Scheme (CJRS), and the frequency with which it evolved, has highlighted the necessity of payroll professionals to familiarise themselves with HMRC information available on Gov.UK. This is to ensure that they process payrolls in line with legislation, and that they are treating various pay elements correctly.

The CIPP's Policy and research team wants to hear from you, and how you most frequently access HMRC guidance online, and so has published a new [Quick Poll](#) on the [News Online page](#). The Poll asks:

"When looking for HMRC guidance on Gov.UK, where do you look?"

This is an important question, and your responses will advise what the most effective methods of communication are for HMRC, when publishing the latest guidance and updates.

Whilst we are aware that payroll professionals are extremely busy, the [Quick Poll](#) will take less than a minute to complete, and will feed into research that explores the best ways for HMRC to communicate with its customers.

[Back to Contents](#)

57% of those accessing Gov.UK for guidance use a variety of resources

9 October 2020

There is a wealth of information on the [Gov.UK](#) pages, along with a substantial amount of guidance that is of use to payroll professionals, or indeed, anybody wanting to familiarise themselves with payroll policies, and ever-evolving legislation.

The information is presented in a variety of formats, and the CIPP's Policy and research team wanted to enquire which method of communication individuals favoured. The question that was posed on the CIPP's news online page was:

"When looking for HMRC guidance on Gov.UK, where do you look?"

Gov.uk white pages: 22%
Webinars: 2%
HMRC manuals: 12%
Youtube videos: 1%
All of the above: 6%
A mix of some of the above: 57%

The majority, by a substantial stretch, confirmed that they use a mix of the resources available to them at Gov.UK, but not all of them, as only 6% of respondents stated they used the whole range. 22% utilise the Gov.UK white pages to gather information, whilst 12% make use of the HMRC manuals. Only 2% and 1% said that they used webinars and Youtube videos, so it seems that there is more of an appetite for the more traditional, word-based formats of communication, as opposed to the more technology-based platforms for providing guidance.

[Back to Contents](#)

New Quick Poll: How many businesses are intending to use the Job Support Scheme?

9 October 2020

As it was announced that a Job Support Scheme would be introduced from 1 November 2020, to protect 'viable jobs', the CIPP's Policy and research team wanted to ask how many businesses are considering making use of the scheme, and if so, whether it has had any impact on their imminent employment plans.

In order to assess this, a new [Quick Poll](#) has been published on the CIPP's News Online page, which asks:

“Following on from announcements relating to the new Job Support Scheme, are you intending to use it, and if so, has this affected your imminent employment plans?”

This [Quick Poll](#) will take less than a minute to respond to, and will help us gauge what the appetite is for the new measure introduced by Chancellor of the Exchequer, Rishi Sunak, as part of his Winter Economy Plan.

This follows on from a poll that aimed to establish whether many employers were planning to make use of the Job Retention Bonus. Both the Job Support Scheme and the Job Retention Bonus can be claimed for, subject to certain eligibility criteria, and were designed to sit alongside one another.

Back to [Contents](#)

FAQs: The Job Support Scheme

12 October 2020

Following on from Chancellor Rishi Sunak’s announcement on 24 September 2020 that the Government would be launching a new Job Support Scheme (JSS), to help support employers to keep employees in ‘viable employment’ over the coming Winter months, the CIPP’s Policy and research team has answered some of the most commonly asked questions on the topic, within the [JSS FAQs](#).

The information provided centres on what has been officially confirmed so far, but further guidance on the more intricate details of the scheme will be issued in due course. As guidance evolves, the [JSS FAQs](#) will be updated accordingly, and members will also be notified of any changes or additions via News Online.

CIPP comment

If there are any questions you would like to submit in relation to the JSS, please don’t hesitate to contact the Policy and research team, at Policy@cipp.org.uk, and we can contact the relevant bodies to request an answer.

Back to [Contents](#)

The CIPP’s response to the HMRC consultation: ‘Supporting veterans’ transition to civilian life through employment’

13 October 2020

HMRC published a [consultation](#), which ran from July 2020 to October 2020, and sought to gain feedback on how a new employer’s 12-month National Insurance (NI) contributions holiday for businesses employing veterans could potentially work. The CIPP’s Policy and research team hosted a survey, and held a virtual thinktank roundtable meeting to collate the views of payroll professionals, in order to shape the CIPP’s formal [response](#) to HMRC.

The consultation focused on four key areas, which were:

- Definitions
- Eligibility
- Administration
- Record-keeping and evidence requirements

Of utmost concern to CIPP members, who responded to the survey or attended the meeting (or both), was the proposed transitional arrangement for the initial year that the policy will be implemented in, in tax year 2021-22. The current intention is for employers to continue to pay employer NI contributions as normal on the wages of the veterans, to then receive a credit back to their PAYE accounts for the relevant amount after submitting a Full Payment

Submission (FPS), from April 2022 onwards. From April 2022, the relief can be claimed in real time, as a payroll solution will be possible by that point.

The reaction to this was that it seemed too complex, and that an existing NI category that provides employer NI relief in much the same way should be utilised, or even a new category set up, so that employers have access to the entitlement in line with the date that the policy is first implemented.

Some other key points raised included:

- Over 80% of survey respondents agreed that a consistent definition of armed forces applied by Government should be used for this policy, with 80% also in agreement that reservists should not be included as veterans for the purposes of an employer NI contributions holiday
- There was unanimous agreement (100%) that amending the PAYE Starter Checklist to accommodate questions around this relief would not deter employers from employing veterans and claiming the relief
- The majority (64%) of those who completed the survey felt that this new entitlement would not incentivise employers to take on more, or their first, veteran(s). From comments, it is apparent that businesses will employ veterans based on their skill set and experience, as opposed to an employer relief

Read the CIPP's consultation response in full [here](#).

Back to [Contents](#)

The CIPP's response to HM Treasury's consultation: 'Pensions tax relief administration: call for evidence'

14 October 2020

HM Treasury published a [consultation](#) that ran from July to October 2020 that wanted to explore how two of the main methods of administering pensions tax relief work, and to seek feedback on how improvements could potentially be made. The CIPP's Policy and research team, having collated the views and opinions of payroll professionals through a survey and a virtual thinktank roundtable, has submitted its response, which can be located [here](#).

The call for evidence was initially announced in March 2020, within the Budget, and its aim was to address the issue of how a low-earning individual's net pay could potentially be affected solely on the basis of how pensions tax relief is provided through their pension scheme.

In relief at source arrangements, pension contributions are taken from net pay, and the pension provider reclaims tax relief from HMRC, ensuring that individuals enrolled in pension schemes of that type receive pensions tax relief. In a net pay arrangement, however, pension contributions are deducted from gross pay. The current tax threshold is £12,500, whilst the auto-enrolment threshold is for earnings above £10,000, so anyone earning between those two amounts will not receive the pensions tax relief that they would if they had been in a relief at source pension scheme. To address the issue, the consultation sought feedback on how successful four different potential approaches could be. Amongst the key findings were:

- Respondents to the survey confirmed that within their businesses:
 - 25% operate a NPA scheme
 - 24% operate via a RAS
 - 41% operate both NPA and RAS

The majority of members that attended the virtual roundtable event also confirmed that salary sacrifice pension schemes were also offered within their businesses

- In terms of the approach that survey respondents felt should be taken to resolve the issue:
 - 35% favoured approach one – the payment of a bonus
 - 0% felt that approach two – applying a standalone charge to RAS schemes would be most effective
 - 30% showed preference for approach three – the operation of multiple schemes
 - 35% felt that mandating the use of RAS for DC schemes would work best

The CIPP's response discussed member feedback from the survey and the virtual meeting, and the pros and cons of each proposed method of resolving the issue. It can be accessed in its entirety [here](#).

Back to [Contents](#)

CIPP Quick Poll results: 56% of businesses not intending to use the Job Support Scheme

21 October 2020

As the Coronavirus Job Retention Scheme (CJRS) closes at the end of October 2020, and the [Job Support Scheme](#) (JSS) is introduced from 1 November 2020, the CIPP's Policy and research team wanted to assess whether many businesses are intending to utilise the new scheme to support them through what will unfortunately inevitably be a difficult Winter.

The JSS offers a different level of support to the CJRS and aims to protect 'viable employment'. One of the key eligibility criteria means that employees will need to be working at least a third of their 'usual hours' to qualify for the scheme. The Government will then pay grants equating to a third of the amount relating to the 'usual hours' not worked, up to a maximum of £697.92 per month, the employer is required to pay another third, and the employee will see a reduction in their pay of the remaining third.

This is not to be confused with the recently announced [extension to the JSS](#), which will be provided to those businesses forced to close due to local lockdown restrictions. In these scenarios, the Government will pay grants equivalent to two-thirds of employee wages, up to a cap of £2,100 per month, with no requirement for the member of staff to work any of their hours.

On the CIPP's News Online page, the team posted the question:

"Following on from announcements relating to the new Job Support Scheme, are you intending to use it, and if so, has this affected your imminent employment plans?"

The company is not intending to use the Job Support Scheme: 56%

No: 26%

Yes, this has reduced the number of imminent redundancies: 10%

The notification relating to the scheme was after the collective consultation deadline, so we are not using the scheme: 5%

I have not heard of the Job Support Scheme: 3%

The results of the Quick Poll seem to indicate that there is not much appetite for the JSS, with 56% of respondents confirming that their company has no plans to utilise the scheme. Businesses that are planning to claim under the JSS have stated that the introduction of the scheme has had no impact on their imminent employment plans, collecting 26% of responses. Conversely, 10% of those answering the Quick Poll declared that their company will be accessing the scheme, and that this has directly reduced the number of imminent redundancies that will be made.

5% of answers highlighted the fact that the announcement relating to the scheme came after the collective consultation deadline for businesses having to make over 100 redundancies. The Winter Economy Plan, which unveiled the new support scheme was delivered on 24 September, but the deadline for consultations would have been in mid-September. Additionally, 3% of those who responded to the poll admitted that they had not heard of the Job Support Scheme at all.

It will be interesting to see, once the CJRS closes, how many businesses do make use of the JSS, and also how many companies that are required to shut down make claims under the extended JSS. At the time of writing, we await further guidance on both the JSS and its extension, but as soon as anything is published, we will notify via News Online and social media.

Back to [Contents](#)

New Quick Poll: The homeworking allowance

21 October 2020

As coronavirus has resulted in a significant increase to the number of employees who are working from home, the CIPP's Policy and research team want to explore whether individuals are receiving the homeworking allowance, and if they are, the way in which this is being administered.

The team has added a new question to the [CIPP's News Online page](#) and would be very interested in hearing from you. We realise that payroll professionals are extremely busy at this point in time, particularly given recent Government announcements regarding new measures, but the [Quick Poll](#) will take less than a minute to complete, and is your opportunity to feed into research relating to payroll and policies that are currently in place.

The question asks: "how have you benefitted from the homeworking allowance?"

In addition to assessing how many individuals are actually benefitting from the allowance, we also want to gauge how this is being provided, so are employers administering this for their staff, or are people claiming the relief themselves, either at year end, or via the [online portal](#) at Gov.UK?

Don't miss the opportunity to have your say, and respond to the [Quick Poll](#) today!

Back to [Contents](#)

Survey: The cost of administering holiday pay

9 November 2020

As of 6 April 2020, significant changes were made to the way in which holiday pay and entitlement are calculated for those with variable pay and hours.

Historically, employers only needed to use a 12-week reference period to obtain holiday pay data but that has been extended substantially to a 52-week period, which has undeniably created challenges for employers.

The CIPP's Policy and research team are currently running a [survey](#), which seeks to gauge how much these changes have impacted employers, particularly in terms of the administrative burden the extended reference period has created. The [survey](#) also has questions relating to the cost of administering changes to payslips in 2019 to show hours, where hours worked impact the pay provided to the employee. Questions are included on the subject of agency working and TUPE transfers. The results will be shared with BEIS (Department for Business, Energy and Industrial Strategy) who own the policy for Holiday Pay entitlement.

We recognise that payroll professionals are extremely busy, particularly at present due to the ever-evolving Government measures that are being implemented to help businesses through the outbreak of coronavirus. This [survey](#) should take approximately 19 minutes to complete, and we really appreciate your time. This is your opportunity to have your say on changes that have impacted the work of payroll professionals, and the [survey](#) will be open until Sunday 13 December 2020.

CIPP comment

The team would like to extend a massive thank you to anybody who takes the time to complete the survey, and to feed into research about the effects that changes to the calculation of holiday pay and entitlement.

Back to [Contents](#)

41% of those working remotely have claimed the homeworking allowance on the Gov.UK portal

11 November 2020

As lockdown restrictions are imposed once again, and the Government advice is that those who can work from home, should, the CIPP's Policy and research team wanted to assess if individuals are benefitting from the homeworking allowance that they are entitled to.

The homeworking allowance means that individuals who have been instructed to work from home can claim tax relief on £6 per week in relation to expenses incurred from working from home. This was the amount implemented from 6 April 2020 onwards. The relief is based on the rate at which an individual pays tax, so if somebody pays the 20% basic rate of tax, they would receive £1.20 per week in tax relief. Similarly, if a person pays the 40% rate of tax, then they would receive £2.40 per week in tax relief. Individuals may also claim tax relief on the actual amount of extra costs they have incurred as a result of working from home, but they would be required to produce evidence of those amounts in the form of receipts, bills or contracts.

In order to gauge the extent of the use of the tax relief, a question was posted on the CIPP's News Online page, which asked:

"How have you benefitted from the homeworking allowance?"

The most popular response was for individuals who have claimed the £6 allowance via the dedicated [online portal](#) on Gov.UK, with 41% confirming that this is what they have done. The process takes minutes to complete, and once finished, an adjusted tax code is generated for the claimant. This is also forwarded to the individual's employer to apply to their payroll record. This ties in with the [news](#) that within a matter of weeks of the portal being made available, over 54,000 individuals applied for the tax relief in this way.

25% of respondents stated that their employer does not pay the homeworking allowance or, indeed, for any additional costs incurred from homeworking. 18% revealed that they simply do not claim the relief. 8% of individuals confirmed that their employer pays the homeworking allowance alongside their standard pay, whilst 6% claimed for the relief themselves at the end of the tax year. The lowest response rate was attributed to those that claim for actual expenses incurred from home working, with just 2% of respondents confirming that this applied to them.

Back to [Contents](#)

New Quick Poll: The impact of the extension to the CJRS

11 November 2020

Chancellor of the Exchequer, Rishi Sunak, confirmed that there would be an extension to the Coronavirus Job Retention Scheme (CJRS), and that it would now be open until the end of March 2021, instead of closing, as originally intended, on 31 October 2020.

Whilst this announcement was met favourably by both employers and employees facing the prospect of an inevitably tough Winter, the pace at which changes to Government measures have been made has proven to be somewhat challenging, to say the least, for payroll professionals. The CIPP's Policy and research team want to assess the impact of the extension to the CJRS, and so has posted a new [Quick Poll](#) on the News Online page, which asks the question:

"How have the changes to Government measures to help businesses deal with coronavirus affected you?"

We understand that payroll professionals are extremely busy individuals, and are under immense pressure, particularly at the given time, but the [Quick Poll](#) will take less than a minute to respond to, and provides the opportunity for you to have your say.

There may be businesses who were reliant on the pay out of the Job Retention Bonus (JRB) in February 2021, which has now been postponed as a result of the CJRS extension, or those that have no intention of accessing the extended CJRS, meaning that the rapid changes have had minimal to no impact on them.

Thank you in advance to all of those who take the time to respond to the CIPP's latest [Quick Poll](#).

Back to [Contents](#)

Coronavirus (COVID-19)

ACAS webinars on coronavirus for employers

2 April 2020

ACAS has launched a series of [advisory webinars](#) for employers that relate to coronavirus. The webinars aim to provide practical advice for employers requiring assistance on managing the impact of coronavirus in the workplace.

The webinar will outline the details of government support and resources being made available to employers.

Along with important information for payroll professionals to be aware of, it also has a wider reach in terms of providing guidance that all employers should be aware of at the current time, such as steps to reduce the spread of the virus, the most effective ways of communicating with employees and equipping managers with accurate information and sufficient resources. There is also further advice around:

- Self-isolating, time off, sickness certification, sick pay, and what to do if an employee becomes ill
- Altering working hours, shift patterns and working arrangements
- Remote working and the use of technology

The webinars are filling up quickly due to high demand, but ACAS keeps releasing new dates in response to this and has confirmed that further dates will be released in due course.

Sign up to the webinar on:

[Tuesday 7 April 2020 – 10:30 am to 11:30 am](#)

[Thursday 9 April 2020 -10:30 am to 11:30 am](#)

Back to [Contents](#)

Update to HMRC's SSP guidance to include self-isolation

3 April 2020

HMRC has updated its [guidance](#) on how to manually calculate Statutory Sick Pay (SSP) and added information on how to deal with SSP for employees self-isolating due to coronavirus (COVID-19).

The guidance confirms that, for employees who self-isolated prior to 13 March 2020, the three waiting days would still be applicable and SSP would be payable from the fourth 'qualifying day', and not from day one.

Any employees who self-isolated from 13 March 2020 onwards, would be entitled to payment of SSP from the first 'qualifying day' that they are absent from work, providing they are off for a minimum of four days in a row. The main difference is that the waiting days do not have to be served.

CIPP comment

Although the update to guidance confirms that a Period of Incapacity for Work (PIW) must be observed when paying SSP from day one of sickness in relation to self-isolation, there are still many questions that we await answers to, predominantly those that focus on the SSP reclaim scheme for employers. The CIPP will continue to alert its members to any developments in this area, via News Online and various social media platforms.

Back to [Contents](#)

Collection of DEAs issued by DWP suspended

3 April 2020

We have received several calls into our Advisory team in relation to Direct Earning Attachment Orders (DEAs) issued by the Department of Work and Pension (DWP). Members have advised that they have been contacted by DWP and have been told to suspend all DEAs processed via their payroll that have been issued by them.

Upon investigation, DWP have, in fact, issued a statement on their debt management telephone line, advising that all debt management collection in relation to over payments of benefits, tax credits and social funds have been suspended for a temporary period. They will not be issuing any new collection notices nor collecting any debt during this time.

Employers who process DEAs for DWP via their payroll are advised to suspend all DEA collections, and to not set up new orders that may have recently been received. You are not required to speak to an advisor or gain authorisation to action this.

Official guidance will be published very soon, however, if you would like to hear the notice given, you can call 0800 916 0614, selecting option 1 for employers.

Back to [Contents](#)

Public sector contractors will be eligible for the Coronavirus Job Retention Scheme

3 April 2020

In [guidance notes](#) published by The Cabinet Office, it has been confirmed that off-payroll contractors working through Personal Service Companies (PSCs) within public sector organisations, will be eligible for the furlough scheme.

The document, which is six pages in length, makes it clear that any contingent workers, inclusive of those who are on short term contracts or who have hours that vary can apply for the Coronavirus Job Retention Scheme, where they work within the public sector. There is no indication at the time of publication that this eligibility will be extended to off-payroll workers in the private sector.

The off-payroll workers need to be in the middle of ongoing contracts for central government departments, their executive agencies or non-departmental bodies, in order for them to claim 80% of their pay up to a cap of £2,500 per month, for a minimum period of three months. This will also include any contingent workers in the NHS.

The notes reiterate the fact that the scheme is only available to those who are unable to work due to the outbreak of COVID-19, if, for example, their workplace has temporarily been closed. Where these individuals can work from home, they should continue to do so.

The scheme is available to all types of contingent worker, inclusive of:

- PAYE
- Umbrella companies
- Personal Service Companies (PSCs)

All contingent workers are eligible while they are under their current assignment, regardless of the length of time they have spent in post. However, any contingent workers who would have been let go as a result of their assignment coming to an end, irrespective of the spread of COVID-19, would not be eligible for the Coronavirus Job Retention Scheme.

The Cabinet Office confirmed that the measures have been implemented to protect:

- The livelihood of contingent workers and avoiding claims of unnecessary Statutory Sick Pay (SSP) from the supply chain
- Against the risk that some may attend work when they should be self-isolating, thereby potentially infecting wider teams and the broader general public
- Against the risk of losing critical workers to jobs in other sectors because they are not getting paid
- Supplier revenue with the intention of keeping them solvent so they remain a part of our ongoing supply chain in the future

Back to [Contents](#)

Guidance on the coronavirus Statutory Sick Pay Rebate Scheme published

6 April 2020

HMRC has released [guidance](#) relating to the scheme that Chancellor, Rishi Sunak, announced at Budget 2020, which would allow small and medium sized employers to reclaim the costs of paying Statutory Sick Pay (SSP) to employees affected by COVID-19.

HMRC is working relentlessly to establish the system for reimbursement, as the existing systems are not set up to facilitate payments to employers. Details relating to when the scheme can be accessed and when employers can make claims will be announced as soon as possible.

The Coronavirus Statutory Sick Pay Rebate Scheme will repay businesses the current rate of SSP, up to a period of two weeks from the first day of sickness per eligible employee. This is only where they are absent because they either have coronavirus or cannot work because they are at home, self-isolating. This only relates to pay made to current or former employees for periods of sickness that commenced on or after 13 March 2020.

There is no requirement for employees to provide a doctor's fit note for employers to make the claim, but they should keep details of the reason that the employee could not work, the start and end dates of each period of absence and details of the SSP qualifying days when an employee could not work. Employers should also make note of the National Insurance number of all employees who received SSP payments.

Any employer can use the scheme if they are claiming for an employee who is eligible for sick pay relating to coronavirus, but not sickness for any other reason, for example, if the employee had broken their arm. The employer must have a PAYE payroll scheme that was created and started, on, or before 28 February 2020. Finally, the employer must have had fewer than 250 employees as of 28 February 2020.

In order to establish if connected companies and charities are eligible for the scheme, they will need to ensure that their total combined number of PAYE employees was fewer than 250 on or before 28 February 2020.

The scheme covers all types of employment contracts, including full and part time employees, employees on agency contracts and employees on flexible or zero-hour contracts.

HMRC will advise employers when the scheme is due to end.

Back to [Contents](#)

Coronavirus Financial Support Details

6 April 2020

In response to the ever-expanding array of measures that the government is implementing to help businesses through the outbreak of coronavirus, a '[Coronavirus Financial Support](#)' page has been established to assist businesses in determining what help is available, when schemes will open and the processes to follow in order to apply.

As guidance is constantly changing, CIPP members are advised to revisit this page regularly, so that they are aware of any updates, and any further help that may be offered. The CIPP will also endeavour to alert members to any relevant news as it is announced, via News Online and various social media platforms.

This page is particularly helpful as it consolidates a wealth of information relating to different schemes and support systems that are being offered in response to the outbreak of COVID-19.

There is information relating to:

[The Coronavirus Business Interruption Loan Scheme](#)
[The Coronavirus Job Retention Scheme](#)
[The Self-employment Income Support Scheme](#)
[Cash Grant for Retail, Hospitality and Leisure](#)
[Small Business Grant Funding](#)
[Support for Businesses Paying Tax](#)
[COVID-19 Corporate Financing Facility](#)
[Business Rates Holiday for Nurseries](#)
[Deferral of Self-Assessment payment](#)

Some elements of the business support are devolved, so please visit the pages dedicated to [Scotland](#), [Wales](#) and [Northern Ireland](#) for further advice.

Back to [Contents](#)

DWP confirms the recovery of benefit overpayments has been suspended temporarily

7 April 2020

As previously reported by the CIPP's News Online, the Department for Work and Pensions (DWP) has now issued a [press release](#) confirming that the recovery of benefit overpayments has been paused for a period of three months. This is in response to the coronavirus crisis.

This means that many claimants will see an increase to the amount that they receive in benefits that they are receiving during the outbreak and will also allow the department to shift large numbers of staff to front line roles. This will allow them to focus on ensuring that they can provide money to those who need support as there have been a significant increase in claims over the last two weeks. It has been confirmed that 10,000 current staff will be moved to front line roles and the department has confirmed that it is recruiting more.

Deductions relating to the recovery of Universal Credit, and legacy benefit overpayments, Social Fund loans and Tax Credit debts will temporarily be paused. Most of these deductions will be automatically suspended, but if repayments are made via standing order, bank giro credit or online banking, then the relevant bank should be contacted, and the arrangement cancelled.

The recovery of advances by deduction from Universal Credit payments will continue.

Some other key points include:

- The recovery of Advances by deduction from Universal Credit payments will continue
- Local Authorities will suspend referral of Housing Benefit overpayments
- The transfer of Tax Credit debt from HMRC has already been suspended
- Debt recovery activity will be stopped as soon as possible. This includes all benefit-related overpayments, Social Fund loans and Tax Credit debts. Many activities will cease immediately but others may take longer to implement
- For citizens who are not on benefits, private sector debt collection agencies have been directed to stop their activity for Debt Management customers
- Voluntary debt repayments and recovery by Direct Earnings Attachments are also being suspended

Back to [Contents](#)

What the delay to off-payroll working rules means for organisations and contractors

7 April 2020

HMRC has published a [blog](#) which provides some essential information that organisations need to be aware of, due to the delay to the off-payroll working reforms that were due to come into force from 6 April 2020. They are now being deferred until 6 April 2021 in response to the outbreak of coronavirus.

The government has continually confirmed, since this announcement, that the reforms are simply being delayed and are not being cancelled, and that the delay is intended to assist businesses and individuals in dealing with the economic impacts of COVID-19.

Until 6 April 2021, any contractors who work through their own limited company, and within non-public sector organisations will still be required to operate current off-payroll working rules. There will be no need for the organisations engaging them in the private and third sectors to establish whether or not IR35 rules apply, in tax year 2020-21. This, in turn, means that the responsibility for producing and issuing status determination statements is also removed. The fee payer will not be required to process the contractor's pay through payroll and will not need to deduct tax and National Insurance (NI) contributions. Similarly, there will be no requirement to pay employer NI contributions or to pay the Apprenticeship Levy on these payments.

Contractors will continue to have their invoices paid prior to tax and NI deductions by clients and agencies, and payroll only needs to be operated for anyone who no longer provides services for an organisation through their own limited company but are not employed directly.

Within the [RTI Data Items from April 2020](#), it confirms that from 6 April 2020, there will be an 'off-payroll worker subject to the rules' indicator within PAYE RTI. Any organisations in the private and third sector should refrain from using this indicator and should not process pay for contractors using their own limited company through payroll software. This flag should only be utilised where services are provided to public authorities and fall inside of the IR35 rules.

Off-payroll working rules were introduced in the public sector in April 2017 and should continue to be operated in the same way as they have for the past three tax years. However, additional requirements were planned for public authorities, which were due to be actioned for tax year 2020-21, but public authorities do not need to do the following, until 6 April 2021:

- Produce a status determination status and pass it to the worker and first party in the contractual chain
- Have a status disagreement in place

Public authorities, or agencies, for contracts subject to the off-payroll working rules will, however, be required to use the 'off-payroll worker subject to the rules' indicator on payroll software. It will be the duty of the fee payer to ensure that this is actioned. This is not mandatory until 11 May 2020 but the option will be available from 6 April 2020.

Back to [Contents](#)

Guidance for apprentices, employers, training providers and assessment organisations in response to the impact of COVID-19

8 April 2020

[New guidance](#) has been published to advise apprentices, employers and providers of apprenticeship training, assessment and external assurance, of the support that the government is providing to help them in response to the outbreak of coronavirus.

The resounding message is that help is available to support both apprentices and employers to continue to build the skills capabilities that the country needs, both now, and in the future.

Steps are being taken by the Education and Skills Funding Agency (ESFA) to ensure that, wherever possible, apprentices can complete their apprenticeships, and that providers can be supported through the current turbulent times.

The range of support measures include:

- The introduction of flexibilities to enable furloughed apprentices to continue with training, on the proviso that it does not provide services to, or generate revenue for their employer
- Encouraging training providers to train apprentices remotely and via e-learning, where it is possible to do so
- Allowing changes to end-point assessment arrangements, to include remote assessments where possible, in order to maintain progress and achievement for apprentices
- Allowing end-point assessments for apprentices ready for assessment, but who cannot be assessed due to coronavirus, to be rescheduled
- Apprentices whose gateway is delayed are allowed an extension to the assessment time frame
- Allowing employers and training providers to initiate and report a break in learning, if the interruption to learning is due to COVID-19 and exceeds four weeks
- Providing information that confirms how to document breaks in learning so that funding is not disrupted
- Where apprentices are made redundant, steps will be taken to help find them alternative employment and continue their apprenticeship as soon as possible and within 12 weeks

The publication also confirms that the developing situation will continuously be kept under review and that guidance will be updated in line with this.

Back to [Contents](#)

National insurance contribution settlement return form deadline extended

9 April 2020

In response to the outbreak of coronavirus, the deadline for the submission of the [National Insurance contributions settlement return form](#) for tax year 2019-20 has been extended from 31 March 2020 to 31 May 2020.

HMRC confirmed the extension but also requested that forms be sent as soon as possible so that returns can be processed quickly.

The settlement return form should be completed and submitted where an agreement has been made to operate Class 1 National Insurance contributions under [Employment Procedures appendix 6](#).

One application can be used for multiple employees.

The form should be sent to: Charities, Savings and International 3, HM Revenue and Customs, BX9 1AJ, United Kingdom

If you require the form in Welsh, [you should email HMRC](#).

If you require further assistance from HMRC, you can email the WMBC Charities Large Partnerships and International Unit at steven.wood@hmrc.gov.uk or william.spencer@hmrc.gov.uk

Back to [Contents](#)

The Pensions Regulator (TPR) reminds us that pension duties continue even during a crisis

14 April 2020

TPR have published guidance, with more due from week commencing 14 April, which aims to help employers during the coronavirus outbreak.

TPR have acknowledged how challenging a time this is for employers and have stated that they will take a proportionate and risk-based approach towards enforcement decisions, to support both employers and pension savers.

TPR have updated their [guidance](#) to cover some of the key question areas for employers, but take the opportunity to remind employers that their duties do need to continue during this time and highlight steps, that could be taken, to help ease the burden of enrolment and re-enrolment.

[Guidance](#) also addresses some of the questions that have been asked since the Coronavirus Job Retention Scheme was first announced.

The obligation for employers and staff to make contributions is set out in pension scheme's rules or other governing documentation.

Payroll processes and pension contributions

Where an employer is making a claim under the Coronavirus Job Retention Scheme (CJRS), the normal payroll process still runs as usual. Obligation for both employer and furloughed staff pension obligations remain unchanged and employers will still need to upload the contribution schedules to pension providers.

The CJRS does not require employers to make any changes to existing pension arrangements or payroll processes. The current scheme rules and contribution requirements will continue to apply.

Some employers calculate their pension contributions on a different basis and do not use banded qualifying earnings. This may be because they have chosen to certify under set 1, 2 or 3 and pension contributions are calculated from the first penny of earnings.

Where this is the case they will calculate and pay across pension contribution as normal. However, employers will also need to calculate 3% of the qualifying earnings of furloughed staff as part of the process for making the claim for the total grant under the Coronavirus Job Retention Scheme.

This is in addition to the existing pension contribution calculation in payroll, not instead of it.

TPR confirms that, whilst employers who use a Defined Contribution (DC) scheme may be able to decrease their employer contribution, they cannot legally reduce employer contributions below the statutory minimum. If this action is considered there are number of things to think about and taking appropriate legal advice is highlighted.

Employees may choose to opt out of the scheme, but the employer must not coerce or encourage their employees in any way.

Further updates to [employer guidance](#) are due from the w/c 14 April 2020.

Back to [Contents](#)

Statutory Sick Pay extended to individuals who are shielding

16 April 2020

[Regulations](#), due to come into force on 16 April 2020 mean that any person classed as extremely vulnerable and at very high risk of severe illness from coronavirus (COVID-19), and who have been advised to remain at home for at least 12 weeks will be entitled to Statutory Sick Pay (SSP). The process is known as shielding, and the regulations mean that people are deemed as incapable of work for the period in which they are shielding.

If an individual cannot work as they are shielding due to coronavirus (COVID-19), then they will be entitled to receive SSP for every day that they are unable to work. They will be entitled to SSP from day one of sickness, in line with how SSP will be paid to those self-isolating, or absent, due to coronavirus. Individuals must, however, shield for a minimum of four days to be eligible for SSP payment from day one. Individuals must also meet the other eligibility requirements for SSP.

The changes have been made, as previously those individuals who were shielding were not entitled to SSP, and the amendments are intended as a safety net for individuals in cases where their employer opts not to furlough them under the Coronavirus Job Retention Scheme (CJRS) and does not have other suitable policies in place, e.g. allowing the individuals to work from home.

[Back to Contents](#)

Deadline for filing Appendix 4 reports extended

17 April 2020

HMRC has confirmed that the deadline for Appendix 4 reports has been extended from the standard date of 31 May 2020 to 31 July 2020.

[Appendix 4 guidance](#)

[Back to Contents](#)

Waspi women call for state pension access

22 April 2020

Women who were born in the 1950s, affected by the increase to the state pension age, and who are members of the group Women Against State Pension Inequality (Waspi) have urged the government to grant early access to the state pension to those affected by the COVID-19 pandemic.

The Waspi group argue that early access to the state pension for Waspi women due to reach state pension age this financial year will mean that the government does not have to support them through other measures, namely furlough payments or benefits.

They have also recommended early access to pension credit for women who are otherwise eligible. Some individuals aren't entitled to this support as their income is too low, but they cannot access other support, such as universal credit. Individuals must receive a minimum income of £144.38 a week if single, or £229.67 if in a couple to qualify for pension credit.

The Waspi group has been opposing the recent raises to the state pension age for women, which were accelerated by the Pension Act 2011. Along with fellow campaign group Backto60, they have argued that changes were unfairly implemented and gave affected individuals insufficient time to prepare, or to make alternative plans.

Both groups state that compensation should be awarded to any impacted women, but back in October 2019, the High Court rejected claims from Backto60 that the changes to state pension age were discriminatory. The group will appeal this decision in July 2020.

The [Financial Adviser](#) reported that Chrissie Lord, Waspi's campaign director, stated:

"We're increasingly concerned about the disproportionate impact the outbreak is having on 1950s born women.

Like others, many Waspi women are seeing a significant impact on their livelihoods as a result of income uncertainty and difficulties accessing affordable food and other essentials.

For women who were already in serious financial difficulty as a result of mismanagement of changes to the state pension age, the impact is huge."

[Back to Contents](#)

Don't miss the deadline for filing your self-assessment tax return in order to qualify for the Self-employed Income Support Scheme (SEISS)

23 April 2020

Self-employed individuals who are yet to file their self-assessment tax return for tax year 2018-19 need to do so by 23 April 2020 in order to qualify for the Self-employed Income Support Scheme (SEISS).

The government announced the SEISS on 26 March 2020, which will provide grants to self-employed individuals who have lost profits as a result of the outbreak of coronavirus. The deadline for self-assessment tax returns under normal circumstances would have been 31 January 2020 for those submitting online, but it was extended due to COVID-19 in order to provide financial support for a wider pool of people.

Individuals can claim if they are self-employed or a member of a partnership, and they:

- Have submitted their self-assessment tax return for the tax year 2018 to 2019 (by 23 April 2020)
- Traded in the tax year 2019 to 2020
- Are trading when they apply, or would be if it weren't for coronavirus
- Intend to continue to trade in the tax year 2020 to 2021
- Have lost trading profits due to coronavirus

Anybody making a claim through the scheme will need to confirm with HMRC that their business has been negatively impacted by coronavirus. HMRC will apply a risk-based approach to compliance.

Trading profits must not exceed £500,00 and must be more than half of an individual's total income for either tax year 2018-19, or the average of tax years 2016-17, 2017-18 and 2018-19.

Find more information about the Self-employed Income Support Scheme [here](#).

Back to [Contents](#)

HMRC provides an update on the Coronavirus Job Retention Scheme

23 April 2020

HMRC has circulated an update in relation to the Coronavirus Job Retention Scheme (CJRS). The online portal was launched on 20 April 2020, and at the time of writing, over 285,000 employers have already made claims through the service.

One major update relates to the [online calculator tool](#), which, initially, could only be used in relation to employees paid fixed amounts each pay period. The calculator has been enhanced so that it can also provide calculations for employees who are paid variable amounts. This should assist claimants with their calculations prior to submitting their claims.

Claimants are reminded to retain all records and calculations relating to claims, in case HMRC contacts them. Funds will be paid out to claimants within six working days for any successful claims. HMRC should not be contacted before this time. HMRC reiterates that those in need of help should first seek it on [GOV.UK](#), or via its webchat service, to ensure that phone lines are open to anyone who needs HMRC's help the most.

HMRC identified that some employers had difficulty accessing the online service because they did not have an active PAYE enrolment. To make a claim directly, employers need to:

- have a Government Gateway (GG) ID and password – if a client does not already have a GG account, they can [apply here](#), or by going to [GOV.UK](#) and searching for 'HMRC services: sign in or register'
- be enrolled for PAYE online – if a client isn't registered yet [they can do so now](#), or by going to [GOV.UK](#) and searching for 'PAYE Online for employers'

HMRC were able to investigate and resolve the issue quickly, because agents raised the issue with authorisations when the new system was initially launched.

HMRC will check and audit claims to ensure that the scheme is protected from fraudulent and dishonest activity.

Back to [Contents](#)

Coronavirus business support finder tool launched by the government

24 April 2020

A new 'support finder' tool has been launched online, which will assist businesses and self-employed people within the UK to swiftly establish what financial support is available to them during the COVID-19 crisis.

The [online service](#) provides a simple questionnaire which will take business owners less than a minute to complete, and will direct them to the government financial support measure(s) that they may be eligible for, and that are most appropriate to their circumstances and needs.

A [press release](#) confirmed that Alok Sharma, Business Secretary, said:

"Businesses of all shapes and sizes play a vital role in our economy, which is why we want to make it as easy as possible for all of them to access our wide-ranging package of financial support during this challenging time."

"This online questionnaire takes just minutes to complete and will quickly signpost a business to the loans, grants or other schemes they could be eligible for."

Rishi Sunak, Chancellor of the Exchequer, said:

"We've launched an unprecedented package of support to protect jobs, businesses and incomes during these challenging times."

"Millions are already benefitting, and this new online tool will allow firms and individuals to identify what help they are entitled to in a matter of minutes."

"We are doing everything we can to make our support as accessible and as easy to navigate as possible."

The government has announced a large range of measures, implemented to support businesses, workers and the self-employed through the coronavirus outbreak, and they include the following:

- £330 billion of loans and guarantees for businesses
- Coronavirus Job Retention Scheme (CJRS) which will pay 80% of the wages of furloughed workers, up to a monthly cap of £2,500
- The deferral of the next quarter of VAT payments for firms, until the end of June
- £20 billion in tax relief and cash grants to help businesses with cash flow
- The Coronavirus Business Interruption Loan Scheme for SMEs and larger businesses
- Covering the cost of Statutory Sick Pay (SSP), for up to two weeks' worth of coronavirus-related absence for eligible employees for businesses with less than 250 staff
- Business rates temporarily removed from all eligible properties in the retail, hospitality, and leisure sectors
- The Self-employment Income Support Scheme (SEISS), offering a taxable grant of 80% of trading profits up to a monthly cap of £2,500
- The deferral of Self-Assessment payments due in July 2020 until 31 January 2021
- Allowing companies who must hold AGMs to conduct them online, or to postpone them
- The suspension of wrongful trading provisions for company directors to remove the threat of personal liability during the pandemic

A three-month extension for filing accounts to businesses impacted by coronavirus.

Back to [Contents](#)

Rules temporarily relaxed to help businesses through the coronavirus crisis

24 April 2020

The Department for Business, Energy and Industrial Strategy (BEIS) has published a list of the rules that have been temporarily relaxed to help businesses continue to operate, despite the disruption caused by COVID-19.

The list can be found [here](#), and includes discussion of temporary changes to:

[Annual leave](#) – Workers who have not taken all of their statutory annual leave entitlement as a result of coronavirus will be able to carry up to four weeks of unused leave into the next two leave years.

[Gender pay gap reporting suspended](#) – The Government Equalities Office and the Equality and Human Rights Commission made the decision to suspend enforcement of the gender pay gap deadlines for 2019-20 as a result of coronavirus.

[Off-payroll working rules \(IR35\)](#) – The reforms to off-payroll working rules due to come into effect on 6 April 2020 have been delayed for 12 months until 6 April 2021.

[Right-to-work checks](#) – Temporary amendments to right-to-work checks will make it easier for employers to carry them out during the coronavirus outbreak.

[Taxable expenses](#) – HMRC has confirmed which equipment, services and supplies are taxable for employees who are working from home to stop the spread of COVID-19.

Further rules have been relaxed, and more information can be found [here](#).

Back to [Contents](#)

Temporary pension rule relaxations for those returning to help fight the outbreak of COVID-19

27 April 2020

A [letter](#) sent from the Economic Secretary, John Glen, to the Minister of State for Crime and Policing, Kit Malthouse, discusses the temporary pensions tax changes for those returning to roles in the public sector, who have a protected pension age, as they support the government's response to coronavirus.

The letter confirms intentions to temporarily suspend tax rules that would ordinarily reduce pension income for individuals aged between 50 and 55, for those who have recently retired but are returning to take on roles in order to support the UK in its fight against COVID-19. Without the changes, the pension income of affected individuals could be reduced so much that their net of earnings, plus pension income, would not exceed their earnings prior to retirement. Additionally, they may see negative tax effects on their pension benefits. As a result of the temporary amendments, individuals such as police officers who return to work will not be financially penalised.

The measure has been designed to encourage individuals to return to positions that will help the government response to coronavirus, whilst ensuring that there is no adverse tax impact on their pension. This will mean that public services are protected at this crucial time, and the temporary rules will initially apply in respect of payments made in the period from 1 March 2020 to 1 June 2020. The time limit will be monitored and kept under review,

HMRC will provide detailed guidance on this matter, but the measure will only be applicable to those returning to work due to the coronavirus outbreak, particularly for workforces such as the police. This is not a general lifting of the restrictions, and only applies to certain individuals.

Back to [Contents](#)

The Statutory Sick Pay Rebate Scheme and state aid

27 April 2020

[Guidance](#) relating to the Statutory Sick Pay (SSP) Rebate Scheme has been updated to reflect the fact that claim amounts under the scheme should not exceed €800,000.

Employers are informed that their claim amount must not exceed the maximum €800,000 of state aid under the [EU Commission temporary framework](#). This is when combined with any other aid received under the framework. Agriculture has a lower maximum of €100,000, and the limit for aquaculture and fisheries is €120,000.

The European Commission approved a £50 billion “umbrella” UK scheme to support small and medium-sized enterprises (SMEs) and large corporates in the UK affected by the outbreak of coronavirus. More information can be found [here](#).

Payroll professionals will be familiar with state aid due to recent changes to the Employment Allowance. Only employers with a secondary Class 1 National Insurance contributions (NICs) bill of less than £100,000 in the previous tax year are eligible for the Employment Allowance as of 6 April 2020, and this means that it is reclassified as de minimis state aid.

Back to [Contents](#)

The Treasury announces updates to tax policy consultation and calls for evidence as a result of COVID-19

30 April 2020

The Treasury announces updates to tax policy consultations and calls for evidence as a result of COVID-19

A [Written Ministerial Statement](#) has been released by HM Treasury, which gives an update on current tax policy consultations and calls for evidence, and confirms that the closing dates for some have been extended due to coronavirus.

The [HMRC Charter Consultation](#) will now close on 15 August 2020, and the [Call for evidence on raising standards in the tax market](#) will close on 28 August 2020.

The extensions have been implemented because the government recognises that many stakeholders are experiencing significant disruption as a result of COVID-19. The additional time will ensure that more stakeholders have the opportunity to respond and share their views.

Most of the eleven tax policy consultations and calls for evidence announced at Budget 2020 have been extended for a duration of three months. Despite the change to closing dates, the government is continuing to encourage stakeholders to respond as soon as they can, where possible.

The intention to publish a range of other tax policy documents was also announced at Budget 2020 but the government is considering each on a case-by-case basis, in light of COVID-19. The government aims to continue publishing some of these documents through Spring and Summer, and this includes the consultation on proposals for a National Insurance Contributions holiday for employers who employ veterans. The release of other documents will be delayed until the Autumn, and there are still additional documents that the government is yet to provide further detail on. The current position is that the additional detail will be released in due course.

The status of tax policy documents can be monitored via the [public consultations tracker](#).

CIPP comment

As a result of the additional response times, the CIPP is exploring the possibility of creating surveys and holding virtual thinktank roundtable meetings for both the HMRC Charter Consultation and the Call for evidence on raising standards in the tax market.

Further information will be published on News Online in due course, but to register your interest in advance, please contact the Policy team at Policy@cipp.org.uk

[Back to Contents](#)

COVID-19 transfer warnings will be issued by pension schemes to savers

30 April 2020

The Pensions Regulator (TPR) has issued [guidance](#) which advises trustees to send Defined Benefit (DB) members, intending to move retirement funds, letters, to alert them to the risks of doing this during the outbreak of coronavirus, and to remind them to carefully consider the decision.

The letter should warn savers that a transfer from a DB to a Defined Contribution (DC) scheme is not likely to be in their best long-term interests at the current time.

Since 2015, pensions freedoms have allowed scheme members more flexibility in the ways in which they can access their pension. Last year alone, £34 billion was transferred from DB schemes, as many savers have made use of the new levels of flexibility.

TPR is acutely aware that COVID-19 is causing substantial market volatility and uncertainty for both business and personal finances and is concerned that pension members might be making rash decisions which could have negative consequences on their pensions.

The Pension Regulator's Chief Executive, Charles Counsell, said:

"We are determined to do all we can to protect savers' retirements from the unprecedented impact of COVID-19.

A decision to transfer a pension pot that's taken a lifetime to build is a very serious one and we'd urge members to be very, very careful making any transfer decisions at this time.

That's why for the foreseeable future, anyone who is looking to transfer their benefits out of their DB scheme should be sent a new warning letter to make them stop and think as well as point them towards free, impartial guidance available from The Pensions Advisory Service."

In response to the coronavirus pandemic, TPR has issued guidance to assist schemes and employers in dealing with emerging risks and has provided trustees with advice in relation to how to communicate with their members. TPR is urging trustees to take a number of steps, including:

- Highlighting the free, impartial pensions guidance from Pension Wise, including phone appointments and online information
- Encouraging members to take regulated advice to understand their retirement options
- Identifying increased risks in how a member has decided to access their pension funds, and give appropriate warnings of the risks and implications of their chosen option
- Sending all DB members requesting a cash equivalent transfer value (CETV) a template letter signed by TPR, the Financial Conduct Authority (FCA) and the Money and Pensions Service, which runs The Pensions Advisory Service
- Monitoring CETV requests and informing FCA of unusual or concerning patterns, such as spikes or the same adviser across multitude of requests

TPR is also aware of a range of pension scams which are having devastating effects for victims, who have lost, on average, £82,000 of their savings. TPR encourages trustees to follow the Pension Scams Industry Group code of good practice to help protect members and guard them against scammers.

The guidance includes steps on how to carry out due diligence and assess transfer requests. Letter templates for use when communicating with members through the transfer process are also available.

Savers should also be informed about the ScamSmart website, which will help them to protect themselves from falling victim to any pension scams.

[Back to Contents](#)

Webinar – Easing the pension pressures during COVID-19

1 May 2020

The Financial Teams to host a webinar that will hear from David Fairs of the TPR and former pensions Minister Sir Steve Webb.

[FT.com: Pensions Funding Storm](#) is being held on Friday May 1 at 3pm and will hear from David Fairs, TPR executive director of regulatory policy, Sir Steve Webb, former pensions minister and partner with actuarial firm Lane Clark & Peacock and Judith Fish, Professional Trustee, as they take part in this free webinar to discuss the emergency measures introduced by TPR to ease COVID-19 pressures.

Register in advance via FT.com [pension event](#)

[Back to Contents](#)

Guidance on the Self-employment Income Support Scheme Published

4 May 2020

The Self-employment Income Support Scheme (SEISS) designed to assist individuals who are classed as being self-employed through the outbreak of coronavirus is due to launch soon. Anyone intending to claim through the scheme should start to prepare now.

HMRC has issued [guidance](#) on the SEISS, which details who can claim, how much they'll get, how to claim, what happens after they've claimed and other help available. As with guidance relating to the Coronavirus Job Retention Scheme (CJRS), it is highly likely that the information provided will be regularly updated, so individuals should continue to visit this page, to ensure that they remain up to date.

The scheme allows self-employed individuals to claim a taxable grant of 80% of their average monthly trading profits. This will be paid in one single figure, which will cover a period of three months. The maximum amount will be £7,500.

The scheme is temporary but may be extended.

Individuals receiving the grant are able to continue to work, start a new trade or take on other employment, including voluntary work, or duties as an armed forces reservist.

The grant will be subject to Income Tax and self-employed National Insurance (NI).

HMRC will determine the eligibility of individuals, and how much they may receive but the guidance explains how it will do this.

Who can claim

Individuals can claim if they are self-employed or a member of a partnership, and:

- Carries out a trade which has been negatively impacted by coronavirus
- They traded in the tax year 2018-19, and submitted that year's Self-Assessment tax return on or before 23 April 2020
- They traded in tax year 2019-20
- They plan to continue trading in tax year 2020-21

Businesses can be adversely affected by coronavirus, for example if an individual is unable to work because they're shielding, self-isolating or are on sick-leave due to coronavirus. Similarly, they may be unable to work because they have caring responsibilities because of coronavirus. Businesses may have had to temporarily stop, or reduce trading if the supply chain has been interrupted, if they have fewer or no customers or clients or if staff are unable to attend work.

The grant should not be claimed if the business is above state aid limits or operating a trade through a trust.

To determine eligibility, HMRC will first look at the Self-Assessment tax return for tax year 2018-19. Trading profits should not exceed £50,000 and should be at least equal to non-trading income. If, at this point, there is no eligibility, then HMRC will assess tax years 2016-17, 2017-18 and 2018-19. There is additional [guidance](#) available on how HMRC will make these calculations.

Grants under the SEISS are not counted as 'access to public funds' and can be claimed on all categories of work visa.

Tax agents and advisers cannot make the claim on behalf of an individual, and they must make the claim themselves. Individuals who do use an agent, should contact them if they require assistance or support.

Different circumstances that affect the scheme

There is additional [guidance](#) on different circumstances that affect the scheme, including where:

- A return is late, amended or under enquiry
- Individuals are a member of a partnership
- Individuals are on, or have taken, parental leave
- Individuals who have loans covered by the loan charge
- Individuals claim averaging relief
- Individuals who are a non-resident, or who chose the remittance basis
- Individuals are above the state aid limits

How much can be claimed

A taxable grant will be given based on the average trading profit over the tax years 2016-17, 2017-18 and 2018-19.

The average trading profit will be calculated by adding together total trading profits or losses for the three tax years and dividing by three.

The grant will be 80% of average monthly trading profits, at a cap of £7,500 (for the three month period). This amount will be paid directly into an individual's bank account, in one instalment.

There is further [guidance](#) available on how HMRC will calculate average trading profits.

How to claim

The online service for making claims is not yet available. HMRC will contact eligible individuals by mid-May 2020 to invite them to claim using the GOV.UK online service. If claims are accepted, payment will be made by early June 2020. An alternative method of claiming will be available to those who can't claim online. The advice is that individuals should not contact HMRC now, as this will only serve to delay the work being carried out to introduce the scheme.

HMRC also reiterates, at this point, that everyone should be exercising caution when receiving texts, calls or emails purporting to be from HMRC. Communications that offer financial help or promise a tax refund for individuals who click on a link or provide personal information, are scams, and should be emailed to phisinh@hmrc.gov.uk. The communication should then be deleted.

When a claim is made

Individuals will need their:

- Self-Assessment Unique Taxpayer Reference (UTR) number. If this is not known, then there is [guidance](#) on how to find it

- National Insurance (NI) number. Again, if this is not, known, there is associated [guidance](#) available detailing how to locate it
- Government Gateway user ID and password
- Bank account number and sort code for the grant to be paid into. This must be a bank account that accepts BACS payments

They will need to confirm that their business has been adversely affected by coronavirus. By making a claim, HMRC will treat this as confirmation that they are below the state aid limits. HMRC will check claims and act accordingly if information is found to be dishonest or inaccurate.

After a claim is made

Once a claim is submitted, claimants will be automatically informed if the grant has been approved. If accepted, payment will be made into the nominated bank account within six working days.

Records must be retained, in line with standard [self-employment record keeping requirements](#), including the amount claimed, the claim reference number and evidence that displays how the business has been adversely affected by coronavirus.

The grant will need to be reported on an individual's Self-Assessment tax return, as self-employed income for any Universal Credit Claims and as self-employed income, and as working 16 hours a week, for any tax credits claims.

Other help available

Individuals can claim for [Universal Credit](#) while they wait for payment of the grant. The grant may affect the amount of Universal Credit they receive but will not affect claims for earlier periods.

There is also help for the self-employed in the form of:

- [Deferral of Self-Assessment Income Tax and VAT payments](#)
- [Grants for businesses that pay little or no business rates](#)
- [Business Interruption Loan Scheme](#)
- [Bounce Back Loan](#)

There is [help online](#), in the form of videos and free webinars which will help individuals to learn more about the support measures available to help through the outbreak of coronavirus.

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

Back to [Contents](#)

CIPP QuickPoll: Returning to work after the coronavirus crisis

5 May 2020

Following the publication of a number of reports, including one from the [BBC](#), that confirm that the government is planning to consider taking steps to allow workplaces to reopen, the CIPP wanted to ask its members what they believe the main associated challenges will be.

If you have a moment to spare, please answer the [Quick Poll](#), which can be found on the CIPP's News Online page.

It is believed that businesses will be required to implement additional hygiene measures when bringing their employees back to work, including the use of physical screens and protective equipment in cases where keeping a distance of two metres between workers is not possible. In addition to this, it is thought that hot-desking will be reduced to stop the spread of coronavirus.

Businesses may also be asked to minimise the number of staff using equipment, and to stagger working hours and break times to ensure that staff are not in close proximity to one another. Anybody who can work from home should still be encouraged to do so.

The Prime Minister, Boris Johnson is set to reveal a “roadmap” out of lockdown on Sunday 10 May 2020, and employers eagerly anticipate the information that could mean that they can adopt a phased approach to returning to some form of normality.

The guidance applies to the whole of the UK, but devolved governments have the option to make their own decisions about the best way to get businesses reopened, and their staff back to work.

Please don't miss the opportunity to feed into research, and respond to the [Quick Poll](#) today.

Back to [Contents](#)

Guidance on how HMRC will make calculations for grants from the Self-employment Income Support Scheme

6 May 2020

HMRC has issued [guidance](#) on how it will calculate the trading profits and non-trading income for those who are self-employed or a member of a partnership, and have been negatively impacted by the outbreak of coronavirus.

HMRC will assess eligibility for the grant from the Self-employment Income Support Scheme (SEISS) based on an individual's trading profits and non-trading income, as confirmed on Self-Assessment tax returns.

Trading Profits

This is shown within a tax calculation as either profits from self-employment or partnerships.

HMRC will calculate trading profit after deducting any allowable expenses, including expenses, capital allowances or flat rate expenses.

If an individual's gross trading income, from one or more trades or businesses exceeds £1,000, then the tax-free allowances can be used, as opposed to deducting any expenses or other allowances.

HMRC will calculate an individual's share of a partnership's trading profits by deducting anything that is non-trading income from all partnership income. HMRC will not deduct any losses brought forward from previous years or an individual's personal allowance from their trading profits.

Profits from self-employment

HMRC will calculate trading profit after allowable business expenses by combining any losses brought forward from previous years with the amount shown on an individual's tax return as 'total taxable profits from this business.'

Profits from partnerships

HMRC will calculate an individual's share of a partnership's profits after adjustments, by combining any losses brought forward from previous years with the amount shown as 'your total share of the total taxable profits from the partnership's business' on their tax return.

Paper short return

Trading profit after allowance business expenses is displayed on a tax return as 'profit'.

Trading profit where the trading allowance has been claimed

Example

	2016 to 2017	2017 to 2018	2018 to 2019
Trading income	£21,000	£26,000	£16,000
Trading allowance claimed	0	£1,000	£1,000
Trading profit	£21,000	£25,000	£15,000

Trading profit where there is more than one trade in the same tax year

HMRC will combine all profits and deduct any losses for all those trades to establish trading profit.

Example

2018 to 2019

Trade 1 profit	£60,000
Trade 2 loss	£20,000
Trading profit	£40,000

Where an individual has traded for all three tax years

To calculate average trading profit, HMRC will combine all profits and losses for all three tax years that somebody has had continuous trade, and then divide by three.

Example

2016 to 2017 2017 to 2018 2018 to 2019 Average trading profit for the 3 tax years

Trading profit or loss	£60,000	£60,000	£30,000 loss	£30,000
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Where an individual has continuous periods of self-employment for two tax years

To establish the average trading profit, HMRC will combine all profits and losses for the two tax years and divide by two.

Example

2016 to 2017 2017 to 2018 2018 to 2019 Average trading profit for the 2 tax years

Trading profit or loss	Did not trade	£25,000	£45,000	£35,000
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Where an individual has traded in two tax years, but not continuously

HMRC will calculate average trading profit based solely on the tax year 2018-19, even if an individual was self-employed in tax year 2016-17.

Example

2016 to 2017 2017 to 2018 2018 to 2019 Trading profit

Trading profit or loss	£25,000	Did not trade	£45,000	£45,000
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Non-trading income

This will be the amount recorded as 'total income received' on an individual's online or paper tax calculation, less their trading income.

HMRC will calculate an individual's non-trading income by combining all their income from earnings, property income, dividends, savings income, pension income, overseas income and miscellaneous income.

Eligibility

If an individual has traded for all three years, HMRC will initially look at their 2018-19 Self-Assessment tax return. Their trading profits must not exceed £50,000 and must be at least equal to their non-trading income.

If an individual is not eligible based on the 2018-19 Self-Assessment tax return, then HMRC will look at tax years 2016-17, 2017-18 and 2018-19.

Example

	2016 to 2017	2017 to 2018	2018 to 2019	Average for the 3 tax years	Total
Trading profit	£50,000	£50,000	£10,000 - not eligible	£30,000	£90,000
Non-trading income	£15,000	£15,000	£15,000	N/A	£45,000
Eligibility using the tax year 2018 to 2019 only	N/A	N/A	No	N/A	No
Eligibility using the 3 tax years	N/A	N/A	N/A	Yes	Yes

So, even if a loss was recorded in tax year 2018-19, the individual would still be eligible because the average for the three tax years is £30,000, which is below £50,000, and the sum of the trading profits for the three tax years (£90,000) is at least equal to the sum of their non-trading income of £45,000 for those years.

How HMRC establishes partnership eligibility

If a partnership made £100,000 in trading profits in tax year 2018-19 and distributed its profits as follows:

Example

	Trading profits received	Non-trading income
Partner A	£25,000	0
Partner B	£75,000	0

Partner A would be eligible for the grant, as the trading profits received do not exceed £50,000.

Partner B would not be eligible for the grant, as the trading profits received exceed £50,000.

If partnership rules require Partner A to pay the grant into the partnership pot, the partnership must give the full grant back to Partner A.

How HMRC will calculate the grant

If an individual is eligible for the grant, and, for example, made an average trading profit of £42,000 over the three tax years, they would calculate the grant as per the following example.

Example

Average trading profit	£42,000
Divide by 12	£3,500
Multiply by 3	£10,500
Work out 80%	£8,400

As the maximum amount payable for this grant is £7,500, the grant is capped and paid at that figure.

Back to [Contents](#)

The effect of COVID-19 on holiday entitlement and pay

14 May 2020

The department for Business, Energy and Industrial Strategy (BEIS) has published [guidance](#) relating to how holiday entitlement and pay will be treated during the coronavirus crisis, and how it differs from the standard holiday entitlement and pay guidance.

The guidance is aimed at employers with the intention of helping them to understand their duties in terms of workers who continue to work and also those who have been placed on furlough.

Employers and workers should address individual contracts and if necessary, seek the relevant independent legal advice.

Holiday entitlement

The majority of workers are entitled to 5.6 weeks' worth of paid holiday on an annual basis. There is an exception to this in those who are self-employed.

The statutory 5.6 weeks is split into four weeks derived from EU law, and an additional 1.6 weeks in UK law. The guidance relates to the UK's legal minimum entitlement of 5.6 weeks. This is the minimum requirement, but many employers may offer additional holiday that extends past that point. This will be detailed within an employee's contract of employment.

The entitlement remains unchanged regardless of whether an individual is on sick leave, parental leave or any other form of statutory leave. A worker can request holiday at the same time as they are on sick leave but cannot be forced to take holiday while off sick.

Workers who have been placed on furlough continue to accrue statutory holiday entitlements throughout the period in which they are placed on furlough, and also any additional holiday entitlement laid out in their contract of employment.

Taking holiday

Employers have the ability to require workers to take holiday, and to cancel a worker's holiday, where sufficient notice is given to the worker.

The mandatory notice periods are:

- Double the length of the holiday if the employer wishes the worker to take holiday at a specific time
- The length of the planned holiday where the employer wishes to cancel a worker's holiday or requires the worker not to take holiday on particular dates

Employers can request that workers take or cancel holiday with less notice, but the worker must agree to this. The notice periods are in advance of the first day of the holiday, and the notice must be given prior to the notice period commencing. To put this into practice, if an employer wanted to stop a worker from taking a week's holiday, they would have to give notice earlier than one week before the first day of that holiday. When calculating the notice period, any uninterrupted period of holiday counts as a single period. The rules on notice periods can be amended by written agreement between the employer and the worker.

Workers on furlough are entitled to take holiday, and for it to have no effect on their furlough. The mandatory notice periods still apply.

If employers would like workers to take annual leave during their period of furlough, they should discuss this with them before requiring them to do so. Employers should also consider if there are any restrictions employees are under, for example, if they must socially distance or self-isolate, as this could potentially stop the worker from resting and relaxing, which are the purposes of taking holiday.

Bank holidays

Employers have the option to include bank holidays as part of a workers' statutory holiday entitlement, but they do not have to. Employers can instruct workers who would ordinarily take bank holidays as holiday to work instead, as long as they use the standard notice periods. Workers are still entitled to the statutory holiday entitlement for the year, so employers need to consider this.

For workers on furlough, where a bank holiday falls within their period of furlough and the worker would have usually worked that bank holiday, their furlough is unaffected by it. If the worker would ordinarily have their bank holiday as annual leave, then there are two options:

- If the employer and worker are in agreement that the bank holiday can be taken as annual leave while on furlough, the employer must pay the correct holiday pay

- If the employer and worker are in agreement that the bank holiday will not be taken as annual leave at that time, then the worker must still receive the day of annual leave that would have been received. The leave can be deferred to a later date, but the worker must still receive their full holiday entitlement

Holiday pay

The fundamental principle behind holiday pay is that a worker should receive pay when they are on holiday to reflect pay that they would have received had they been at work and working. The pay a worker receives will depend on how many hours they work, and how they are paid for those hours.

Holiday pay for those on furlough and also for those who aren't, should be calculated in alignment with current legislation and based on a worker's usual earnings. Where a worker has regular hours and pay, holiday pay is calculated on these hours but if they have variable hours or pay, then the holiday pay is calculated using an average of the previous 52-weeks' worth of remuneration. Weeks in which there was no remuneration are discounted from the calculation.

Where workers are furloughed and taking annual leave, the employer must still calculate and pay holiday pay in accordance with legislation. If this is above the amount that employees receive while on furlough, then the employer must pay the difference but can continue to claim the 80% grant from the government to cover some of the cost of the holiday pay.

Carrying annual leave forward

The 5.6 weeks of statutory holiday is split out into four weeks and 1.6 weeks and there are differences in the rules that apply. 1.6 weeks can be carried forward into the following leave year where there is a written agreement between the worker and the employer. Four weeks, however, cannot be carried into future leave years so these weeks must be taken within the year.

In some scenarios, employers must allow the four weeks entitlement to be carried into future leave years. If a worker cannot take annual leave as they are on maternity leave or off sick, they are entitled to carry their annual leave forwards. These rights remain irrespective of whether a worker is furloughed or not.

The government has passed new emergency legislation - [The Working Time \(Coronavirus\) \(Amendment\) Regulations 2020](#), laid before Parliament on 27 March 2020) - which will mean that workers will be able to carry holiday forward where the impact of coronavirus has meant that it has not been reasonably practicable for them to take it in the leave year to which it relates. This applies to the four weeks' worth of holiday, and it can be carried forward to the following two leave years. When calculating what holiday a worker can carry forwards, employers must give workers the opportunity to take any leave that they cannot carry forward before the end of the leave year. The regulations allowing the holiday to be carried forward have been mirrored in Northern Ireland - [The Working Time \(Coronavirus\) \(Amendment\) Regulations \(Northern Ireland\) 2020](#), but took effect from 24 April 2020.

When considering whether it was reasonably practicable for a worker to take leave due to coronavirus, employers should consider various factors, such as:

- If the business faced increased demand due to coronavirus that would require workers to continue to work
- How far the business' workforce was disrupted by coronavirus and the options available to the business to provide temporary cover for essential duties
- The health of the worker and how soon they need to take a period of rest
- The length of time remaining in the worker's leave year, to enable the worker to take holiday at a later date within the leave year
- How much the worker taking leave would impact on wider society's response to, and recovery from, the coronavirus situation
- If the remainder of the workforce are available to provide cover for the worker taking leave

Employers should do everything reasonably practicable to allow workers to take as much of their leave as possible in the year to which it relates, and it is best practice for them to give workers the opportunity to take holiday at the earliest practicable opportunity.

It is unlikely that workers who are on furlough will need to carry forward statutory annual leave, as they have the right to take it during the period of furlough. As previously discussed, employers will be required to pay the correct holiday rate which is likely to be higher than the amount they can claim through the Coronavirus Job Retention Scheme (CJRS), so they must make up the difference.

If the employer is unable to fund the difference this would make it not reasonably practicable for the worker to take their leave, meaning that they could carry their annual leave forwards. The worker must still have the opportunity to take their annual leave, and to receive the correct amount of holiday pay before the carried annual leave is lost at the end of the next two leave years.

Examples of what may be reasonably practicable:

- A worker has two weeks of holiday left and their leave year ends in two months. A significant proportion of the employer's workforce is unable to attend work during those two months due to coronavirus. The employer reviews the steps it could take to manage the two month period and this highlights the fact that it is not reasonably practicable for the worker to take both weeks of holiday in the remainder of the leave year. The employer and the worker are in agreement that one week of leave will be taken as part of the leave year and the additional week will be carried forwards to be taken as early as possible
- A worker has just commenced a new leave year so had their full entitlement to take over 12 months. Their employer experiences a surge in demand that is expected to last for a period of three months. The employer and the worker agree that it would not be reasonably practicable for the worker to take holiday in the three months in which demand had decreased but that it will be possible for the worker to use their full entitlement in the remainder of the leave year, so there is no requirement to carry holiday forwards

Where workers carry leave forwards due to coronavirus, they continue to accrue holiday in the following leave year, so they will have two entitlements. They are the holiday that has been carried forward to be taken in the next two leave years, and the entitlement relating to the new leave year. Holiday pay for leave carried forward should be calculated in the same fashion as the standard calculations for holiday pay.

A useful example illustrates this:

- Due to coronavirus, a worker carries two weeks of holiday into their next leave year. For that leave year, they will have a total of 7.6 weeks of statutory holiday entitlement, consistent of the two weeks carried forward and the 5.6 weeks they are entitled to in the new leave year.

When a worker with these two entitlements takes holiday, it would be best practice to allow the worker to take holiday from whichever entitlement expires first. They should be entitled, in this scenario, to take the holiday they are entitled to in the new leave year before taking the carried forward holiday as that lasts for a period of two years.

Workers must be allowed by their employer to take carried forward holiday, and they must have good reason for refusing any holiday requests under this entitlement. Employers can request that workers take their carried forward holiday as opposed to their regular entitlement. The employer must, however, still ensure that the worker receives their full regular entitlement in the leave year to which it relates.

Where carried forward leave is taken into a further leave year, the employer must allow the worker to take their leave within that later year.

There is no requirement to give workers notice they will be able to carry holiday forward if they do not take it but it is unlawful for businesses to prevent workers from taking holiday that they are entitled to. Therefore, to ensure that workers do not miss out on their holiday entitlement, best practice is for employers to advise workers of the need to carry forward, and how much leave will be carried forward.

Where it is reasonably practicable for a worker to take annual leave, employers should facilitate this, and the employer's ability to require a worker to take annual leave is unaffected by the ability to carry forward holiday. Broadly, employers remain able to require workers to take annual leave to ensure that holiday is taken in the leave year to which it relates.

An employer must let a worker take their annual leave and not replace it with payment in lieu. Where a worker leaves employment, the employer must pay the worker for any untaken leave. This will include any leave carried forward due to the coronavirus, and any leave that the worker has accrued in the relevant leave year. The payment for this untaken leave is based on a statutory formula laid out in the Working Time Regulations (WTR).

Furloughed agency workers

Any agency workers, inclusive of those working through an umbrella company, are still entitled to accrue holiday under the WTR, and/or their contract. This applies even if they are placed on furlough and a claim is made for them under the CJRS.

Workers will continue to accrue holiday whilst on furlough. Where agency workers are engaged under a contract that sets out their entitlement to holiday, they will continue to accrue holiday on furlough as they ordinarily would when between, or otherwise not working, on assignments.

Some agency workers on a contract for services may not be entitled to accrue or take holiday under the WTR when on furlough because they are not treated as workers under those regulations when between assignments or otherwise not working on assignments. Contracts may nevertheless include holiday provisions which will continue to operate in the same way as they did before the furlough period.

Agency workers with worker status can take the holiday they are entitled to under the regulations or their contract of employment while on furlough. The employer placing an agency worker on furlough may continue to claim the grant from HMRC for 80% of the figure, but the employer must pay the amount to top the pay up to 100%.

Employers can control when a worker takes leave if they observe the correct notice period, and the same applies to agency workers. Similarly, businesses may refuse holiday requests of agency workers. Agency workers may be able to carry holiday into future leave years.

Back to [Contents](#)

Applications can now be made for the Self-Employment Income Support Scheme

14 May 2020

HM Treasury has published a [press release](#) which confirms that the scheme to support the self-employed through the outbreak of coronavirus is now open for claims.

The Self-Employment Income Support Scheme (SEISS) will allow self-employed individuals and members of partnerships whose businesses have been negatively impacted by coronavirus to claim a grant of up to £7,500 to cover a three-month period. This is the maximum amount that can be claimed, but the grant is based on 80% of their average monthly trading profits.

It is expected that millions will benefit from the scheme, and any successful claims will result in payments being made to bank accounts within six working days of submission.

People will be able to make their claims on a specified date between 13 – 18 May 2020 based on their Unique Tax Reference number. HMRC has been assigning self-employed individuals a specific date to apply on, which can be verified on the [online checker](#). Individuals are welcome to apply on or after their designated date, but not before. HMRC has produced a [YouTube video](#) which gives step-by-step guidance on how to claim.

When eligible individuals go online, they will be asked to supply their Unique Tax Reference (UTR), National Insurance (NI) number and Government Gateway password and user ID. They will also be required to provide their bank account details and the address that the bank account is registered to in order for HMRC to make payment. Claimants must have a UK bank account that HMRC can transfer money directly into, as payments may be delayed if they do not have this.

HMRC will confirm how they have calculated the grant that individuals are entitled to, so that this can be discussed with tax agents or advisors should any queries arise. Tax agents are not permitted to make a claim on behalf of their clients, as doing so could trigger HMRC's anti-fraud procedures. This would inevitably slow down the claim process and make it more difficult for HMRC to pay the grant out.

Individuals who have not been contacted by HMRC after 17 May and believe that they are eligible, are advised to use the eligibility checker after that point, and if applicable, make a claim.

Updated [guidance](#) relating to SEISS shows that there is no longer a requirement for those who are eligible to confirm that they are below the €800,000 aid cap. The State Aid Temporary Framework has been amended so that it now allows for "Aid in the wage of subsidies" (section 3.10). This differs from the previous "Aid in form of direct grants, repayable advances or tax advantages" (section 3.1) on which the €800,000 cap applies. SEISS was recently approved under section 3.10 so the cap does not apply.

The SEISS is just one of a number of measures announced to support the self-employed through the outbreak of coronavirus, which includes Bounce Back loans, the deferral of income tax and increased levels of Universal Credit. Chancellor of the Exchequer, Rishi Sunak, said:

"We're working ahead of time to deliver support to the self-employed and from today, applications open for the millions of people eligible for the scheme.

With payments arriving before the end of this month, self-employed across the UK will have money in their pockets to help them through these challenging times."

Individuals are eligible for the SEISS if their business has been negatively impacted by the outbreak of COVID-19, if they traded in tax year 2019-20 and intend on continuing to trade. They must earn at least 50% of their income through self-employment, have trading profits which do not exceed £50,000 per year and have traded in tax year 2018-19, having submitted their associated Self-Assessment tax return on or before 23 April 2020. HMRC will calculate the amount to be paid on an average of tax returns for 2016-17, 2017-18 and 2018-19.

For further support, individuals are being advised to use HMRC's webchat service or to call the COVID-19 helpline on 0800 024 1222.

CIPP comment

The CIPP is delighted that the SEISS has been established and impressed by how quickly payments will be made. We would love to hear any of your feedback and learn about your experience of using the SEISS, so please don't hesitate to contact the Policy and Research team at Policy@cipp.org.uk with any of your thoughts and opinions.

Back to [Contents](#)

The Pensions Regulator urges trustees to prioritise pension switches between Defined Contribution schemes

14 May 2020

The Pensions Regulator (TPR) has advised trustees to prioritise pension switches to ensure that they are completed with sufficient time so that savers aren't penalised during the COVID-19 pandemic.

In updated [guidance](#), TPR reiterated to trustees how switches between Defined Contribution (DC) schemes are a "core financial transaction" and frequently used by savers to access their pension funds so they must remain a priority despite the outbreak of coronavirus.

Previously published guidance detailed how trustees of Defined Benefit (DB) schemes may opt to delay new member requests for transfer quotations by up to a maximum of three months, but TPR has confirmed that this isn't the case for switches between DC schemes as the valuation of benefits is far less complicated.

It is important for trustees to process switches as soon as possible, because if member's pension switches are delayed, and their investments fall in value during that crucial period, then the member's cash equivalent transfer value will be lower. Trustees must still ensure that they carry out the required due diligence prior to any switches.

TPR also reminds trustees that they should be monitoring all pension switching activity and remain particularly alert and wary of potential scams, as fraudulent activity has increased significantly throughout the COVID-19 crisis.

TPR's executive director of policy, David Fairs, said:

"The Covid-19 pandemic has created unprecedented challenges for pension schemes and their members. That's why we've been constantly reviewing and updating our guidance to support trustees and protect savers.

Our latest guidance should help trustees of DC schemes prioritise what's most important – such as ensuring DC to DC transfers are completed in a reasonable time, so savers don't lose out."

Filing deadlines and COVID-19

15 May 2020

Many CIPP members have been querying filing deadlines for items such as P60s and P11Ds during the coronavirus crisis, and whether they will be extended. HMRC has not extended any deadlines but decisions regarding whether penalties will be issued will be made on a case by case basis and HMRC will consider COVID-19 as a reasonable excuse for missing deadlines.

HMRC is still encouraging customers to adhere to these deadlines, and to fulfil their tax obligations where possible. Guidance provided on GOV.UK has, however, been updated to incorporate coronavirus.

In the guidance, '[Disagree with a tax decision](#)', there is a section which discusses how appeals can be made against penalties if there is a reasonable excuse for submitting or paying a return late, which states:

"HMRC will consider coronavirus as a reasonable excuse for missing some tax obligations (such as payments or filing dates). Explain how you were affected by coronavirus in your appeal. You must still make the return or payment as soon as you can."

The guidance also discusses timeframes for appealing tax decisions:

"If you or your business have been affected by coronavirus (COVID-19), HMRC will give you an extra three months to appeal any decision dated February 2020 or later. Send your appeal as soon as you can, and explain the delay is because of coronavirus."

Employers should continue to meet deadlines where practicable and must provide sufficient explanation or evidence as to why items have been submitted or paid late, and after the required dates.

Back to [Contents](#)

Temporary tax and National Insurance exemption for coronavirus-related reimbursed home office expenses

15 May 2020

Financial Secretary to the Treasury, Jesse Norman, has [confirmed](#) that, in order to help employees working from home who have had to buy home office equipment as a result of the coronavirus crisis, and are reimbursed for it by their employer, there will be no associated tax and National Insurance (NI) liabilities to pay on those expenses.

This is a temporary measure and there are two conditions that must be met in order for the purchases to be eligible for the relief:

- The equipment must be purchased for the single purpose of enabling the employee to work from home due to the coronavirus outbreak
- Providing the equipment would have been exempt from income tax should it have been provided directly to the employee by, or on behalf of, the employer

The measure will take effect from the day after the regulations come into force, but HMRC will not collect tax and NI contributions on any reimbursed payments made on or after 16 March 2020, as this was the date that the government encouraged companies to allow their staff to work from home. The government plans to lay the statutory instruments to update these charges shortly.

The announcement has been made outside of the standard fiscal process to allow employers and employees to manage their work from home arrangements at the earliest opportunity.

Back to [Contents](#)

Scottish Government announces an additional £40 million of support for key sectors

21 May 2020

On 20 May 2020, the Scottish Government [announced](#) that it will increase its Business Support Fund by £40 million, giving additional support to the key sectors of the Scottish economy.

It has been advised that the additional funding will be split between the Pivotal Enterprise Resilience Fund, taking the funding up to £120 million (increased by £30 million) and to the Creative Tourism and Hospitality Enterprise Hardship Fund, with an increase of £10 million taking the maximum claim-back to £30 million. Applications for both funds closed on 18 May.

Fiona Hyslop, Cabinet Secretary for Economy, advised that the government has been listening to what businesses need, and is following on from what the First Minister announced earlier this month, in that the Pivotal Enterprise Resilience Fund would double to £90 million to meet demand. The plan is to aid as many SMEs as possible in surviving the current climate, and to support this would a further £30 million would be added to this fund. She also noted that the government were aware of the pressures within the creative, tourism and hospitality sectors and have, therefore, increased those limits by £10 million.

Fiona Hyslop said:

“These funds are supporting businesses the length and breadth of Scotland and continue our commitment to ensure every penny of the additional business money that has come to Scotland is passed on to support our economy. Crucially, we are also focusing our efforts to help those who are not captured by the UK Government schemes.”

Back to [Contents](#)

Statutory Sick Pay (SSP) Rebate Scheme launched

26 May 2020

HMRC have launched the Coronavirus rebate scheme for SME employers who have paid SSP due to coronavirus incapacity.

The Statutory Sick Pay Reclaim Scheme will be open to employers who had fewer than 250 employees at 28 February and also had an active PAYE scheme at that date.

The Coronavirus outbreak has introduced two new reasons, into the SSP regulations, for incapacity:

Self-isolation was introduced through regulations, from 13 March, where an eligible employee:

- Is showing signs of coronavirus,
- Is living with someone who has coronavirus

Shielding was brought in through regulations from 16 April and will occur where an employee has received a letter issued by the NHS, their GP or their hospital consultant informing them that they should remain shielded for a period of 12 weeks.

Employers, wishing to make a claim will need to have access to [PAYE online](#) or have authorised their agent to act on their behalf for PAYE online.

Information that is needed includes:

- Employer PAYE reference number
- Contact details i.e. name and phone number, of the person making the claim – or who can help in the event of a query
- UK bank account or building society account sort code and account number plus the name on the account and the address of account holder (that is used with that account) – where the account can receive BACS payments
- The total amount of SSP paid due to coronavirus absence to eligible employees
- Number of employees being claimed for
- Start and end date of claim

The weekly rate of SSP that will have been paid is either £94.25 up to 5 April 2020, and since 6 April 2020 is now £95.85.

The employer must keep complete records of the absences, including which days would have been qualifying days, for three years following receipt of payment. For Coronavirus absence SSP becomes payable from the first day of absence but the period of absence must be a minimum of four days.

State Aid

In making the claim the employer will be declaring that their claim will not take them over the allowable [state aid](#) limit allowed which will be €800,000. If the employer is in the agricultural sector the limit is €100,000 or the aquaculture and fisheries sector where it is €120,000.

For [guidance and to claim](#) see gov.uk.

Back to [Contents](#)

Payroll professionals – the CIPP’s Policy and Research team want to hear from you!

26 May 2020

Everyone has an experience to share about life during lock down, personal, professional, health, happiness, and horrors, the CIPP Policy and Research team want to hear yours.

There is a pre-conception by many that processing pay, pensions and reward, simply requires the pressing of a button. However, we know already that many of those misconceptions have dramatically changed already due to the impact of COVID-19.

Recognised as key workers, the payroll profession, across all sectors and in all service lines, have successfully overcome many difficulties to keep the UK workforce paid, during the coronavirus pandemic.

Many payroll teams are now working remotely and are facing a daily juggle to comply with the latest legislative changes, as well as ensuring that ‘business as usual’ tasks and processes continue. What would normally be classed as standard tasks, such as entering a new employee onto a system, for many, have required significant changes to procedures. But we know those changes have occurred and have resulted in the continued successful delivery of normal service during anything but normal circumstances.

The CIPP policy and research team want to hear your story of how have you overcome diversity in recent weeks, how have your families adapted to sharing your daily life as a payroll practitioner. We know there have been tears, but we also know that there have been numerous success stories and we would encourage you to have your say.

- How you have overcome such challenges?
- How have you tackled getting information from new employees?

- How you have overcome barriers in communication?
- Did you have a plan in place for such an event?
- How have you tackled processing furlough leave?

These are just some of the many subjects you could talk about, but please don't allow us to limit you, as you share your tales of COVID19.

Responses will be published and shared by the team within the Coronavirus hub and we plan coverage in Professional in Payroll, Pensions and Reward.

It is said that 'a trouble shared is a trouble halved' and we know, there is reassurance in knowing that we are not alone in our experiences during these difficult times.

Please email Samantha Mann, Policy and research technical lead to Samantha.Mann@cipp.org.uk directly with your personal experiences so that they can be shared with the wider payroll community. Your submission can be acknowledged by name or anonymously. Thank you.

Back to [Contents](#)

Appendix 4 reporting deadline has been extended

27 May 2020

HMRC recently advised that it has extended the reporting deadline for Appendix 4 from 31 May to 31 July. Due to the current COVID-19 pandemic, HMRC recognise that processors may have limited resources and are experiencing complications meeting the original deadline in place. [Guidance](#) has been updated to reflect this temporary extension and details will also be published in the next employer bulletin.

Several employers have contact HMRC regarding difficulties in physically filing their Appendix 4 reports. Considering this, HMRC will be accepting the reports via email. Reports and enquires are to be sent to Contactexpat@hmrc.gov.uk, quoting **App 4 Reports** in the subject field. HMRC are aware of the long waiting times employers are having when attempting to contact the Expat Helpline, therefore are being encouraged to email the team rather than using the telephone service.

What is an Appendix 4?

Employers may apply for a relaxation to the strict PAYE requirements for those employees who are classed as a short-term business visitor. This arrangement provides an agreement that PAYE can be disregarded in certain circumstances.

Employers must only apply for this arrangement whereby the employees are:

- Resident in a country with which the UK has a Double Taxation Agreement under which the Dependent Personal Services / Income from Employment Article (Article 15 or the equivalent) is likely to be competent
- Coming to work in the UK for a UK company or the UK branch of an overseas company, or are
- Legally employed by a UK resident employer, but economically employed by a separate non-resident entity
- Expected to stay in the UK for 183 days or less in any 12-month period

It must be shown that for those employees specifically named, who's presence in the UK is for 60 days or more, that the UK company or branch will not ultimately bear the remuneration specified.

Where there is an agreement reached and in all other aspects the employee falls within the guidelines, then that part of the remuneration not ultimately borne by the UK Company or branch can fall within this arrangement.

Arrangements will not apply where the expense of the remuneration is passed on to another UK Company or branch and not recharged overseas.

If an employee's presence in the UK is for 59 days or less, it is only necessary to show that the employees were paid via a non-resident employer's payroll.

The arrangement must not be applied whereby an individual is employed by a UK resident employer, including an overseas branch of a UK resident employer, except where the individuals are sent abroad to work for a separate non-resident entity and return to perform duties in the UK solely for that non-resident employer. Such individuals are not covered by the 60-day rule.

If an employer has only one or two employees potentially affected, they may like to consider applying for an NT code on an individual basis instead.

Back to [Contents](#)

Self Isolation due to Contact Tracing notification now a reason for SSP incapacity

29 May 2020

The Department for Work and Pensions have laid a fourth set of regulations that come in to force from 28 May 2020

The [Statutory Sick Pay \(General\) \(Coronavirus Amendment\) \(No. 4\) Regulations 2020](#) apply across Great Britain (England, Wales and Scotland) and will ensure that for a person who has been advised, by a relevant notification, that they have had contact with a person who has coronavirus, and that they should stay at home and self-isolate as a result, is deemed to be incapable of work, and therefore entitled to Statutory Sick Pay.

[Guidance](#) on GOV.UK has been updated with this latest development.

CIPP comment

What has your experience been so far as you have applied to reclaim SSP, either for your employer or for your clients. The Policy and research team have so far heard only glowing reports – or at least 'so far so good' do you agree? Let us know at policy@cipp.org.uk

Back to [Contents](#)

EU Settlement Scheme Update

29 May 2020

The Home Office has announced that the support services and application routes for those applying for an [EU settlement agreement](#) are back up and running.

At the start of the pandemic, the postal route for submitting documents was suspended and applicants had to use the [EU Exit: ID Document Check app](#). Some applicants were unable to access the app, which delayed their application. In-line with public health guidance, the support offices have now reopened to process postal applications. Support via email and telephone can still be accessed seven days a week via the [EU Settlement Resolution Centre](#). Unfortunately, the [ID document scanner locations](#) are still suspended following the latest public health guidance to protect staff. However, the Home Office has advised that they together with their delivery partners are keeping the situation under constant review and will endeavour to reinstate ID document scanner locations to their original capacity as soon as possible.

Applicants are reminded that there is still more than a year left before the deadline of 30 June 2021 for applications to the EU Settlement Scheme. The Home Office's latest statistics confirmed that so far there have been more than 3.5 million applications to the scheme with more than 3.2 million applications concluded.

Temporary exemption to Income tax and NICs due on home office equipment due to COVID19 measures

1 June 2020

A [temporary exemption](#) will operate from 11 June 2020 and for the remainder of the 2020-2021 tax year

Employers may have asked employees to purchase equipment and materials to enable their home-office set up due to the Coronavirus lockdown measures, which require employees to 'work from home where they can'.

Employers will benefit from a temporary lifting of a reporting measures for Income Tax and NICs where the following two conditions are met:

- Equipment is obtained for the sole purpose of enabling the employee to work from home as a result of the coronavirus outbreak
- The provision of the equipment would have been exempt from income tax under section 316 of ITEPA if it had been provided directly to the employee by or on behalf of the employer

Section 316 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA 2003) provides a tax exemption where an employer provides home office equipment directly and retains ownership of that equipment, and the employee's private use is not significant.

This current exemption does not extend to employer reimbursements for employee expenditure on home- office equipment.

As required by section 210(2) ITEPA 2003, the exemption will be conditional on the benefit of any reimbursement in respect of home-office equipment expenses being made available to all of an employer's employees generally on similar terms.

The exemption is a temporary measure that will apply from the day after regulations come into force until, stated to be from 11 June 2020 until the end of the tax year 2020-21.

Meanwhile, HMRC will exercise its collection and management discretion and will not collect tax and NICs due on any reimbursed payments made from 16 March 2020 until the regulations take effect, provided the relevant conditions are met.

A [tax information and impact note \(TIIN\)](#) has been published on [Gov.uk](#)

Back to [Contents](#)

Update on reporting Appendix 7A and 7B returns

1 June 2020

Further to the announcement in regards to sending Appendix 4 returns via email, HMRC have advised that the same email address (Contactexpat@hmrc.gov.uk) can be also used to file Appendix 7A returns.

If you choose to use the email address to submit Appendix 7A returns, you should enter "App 7A report" as the subject field for the email. Those with Shared workspace access can also file using that route for Appendix 7A returns.

HMRC advise that if you have already submitted your Appendix 7A return via the email address of techsupportteamint.mcooperations@hmrc.gov.uk, then those returns have been accepted and there is no requirement to resubmit using the newly advised email address.

HMRC have set up a new email address for those who are required to submit an Appendix 7B return. This email address (nsrappendix7b@hmrc.gov.uk) is to be strictly used to report Appendix 7B returns only and the team who manages this mailbox will not respond by email. HMRC are currently looking into arranging an auto response so that the employer is automatically notified that their return has been accepted.

HMRC remind employers of the risks involved when submitting returns via email and ask that employers consider the points below before making a submission.

About the risks

The main risks associated with using email that concern HMRC are:

- *Confidentiality and privacy – there is a risk that emails sent over the internet may be intercepted*
- *Confirming your identity – it is crucial that we only communicate with established contacts at their correct email addresses*
- *There is no guarantee that an email received over an insecure network, like the internet, has not been altered during transit*
- *Attachments could contain a virus or malicious code*

When sending information, you should consider using encryption in order to protect the information. If you chose to do this, please provide the password in a separate email.

If you do want to use email

Please only use email if you (or your client if you are an authorised agent or representative) accept that you understand and accept the risks of using email

More information

You can find more information on HMRC's privacy policy, visit [privacy-policy](#)

Geographical extent

CIPP comment

The CIPP policy and research team are members of the [Expatriate forum](#) and the next meeting is being held on 11 June and if members have agenda items they would like to bring forward to contact us by email to policy@cipp.org.uk

Back to [Contents](#)

Government publish details of the extended Self-Employment Support Scheme (SEISS)

1 June 2020

The Chancellor or the Exchequer has released details of how the next phase of the Self-Employment Support Scheme will operate.

Following the announcement by Rishi Sunak at the 5pm briefing on Friday 29 May, [details](#) that include a fact sheet have been published that explain how the months ahead will operate for self-employed individuals who have been able to claim under SEISS.

As of midnight on 24 May 2020 £6.8 billion has been paid out for 2.3 million claims.

Self-employed individuals, including members of partnerships, are eligible if they:

- Submitted their Income Tax Self-Assessment tax return for the tax year 2018-19
- Continued to trade in 2019-20 and intend to keep trading in 2020-21

- Carry on a trade which has been adversely affected by COVID-19
- Have average self-employed trading profits of no more than £50,000 and at least equal to their non-trading income.

Eligible individuals can continue to work or start a new trade and can also take on other employment including voluntary work, or duties as an armed forces reservist.

Currently, under the first grant scheme, individuals can claim a taxable grant worth 80 per cent of their average monthly trading profits, paid out in a single instalment covering three months' worth of profit, and capped at £7,500 in total.

Applications for the first grant opened on 13 May 2020 **and will close on 13 July 2020.**

Second and Final Grant Eligible individuals can claim a taxable grant worth 70 per cent of their average monthly trading profits, paid out in a single instalment covering three months' worth of profit, and capped at £6,570 in total

The eligibility criteria are the same for both grants, and individuals will need to confirm that their business has been adversely affected by coronavirus when applying for the second and final grant. An individual does not need to have claimed the first grant in order to be eligible for the second and final grant.

Applications will open in August 2020. Further information on the second grant will be available on GOV.uk on 12 June 2020.

Back to [Contents](#)

HMRC releases draft legislation introducing rules on the taxation of coronavirus business support grants

2 June 2020

HMRC is asking for views on [draft legislation](#) it has published that relates to ensuring that coronavirus business support grants are subject to tax. Individuals are invited to provide feedback and have until 23:45 on 12 June to do so.

The measure will ensure that grants within the legislation are subject to tax, as they are treated as income where businesses are within the scope of either Income Tax or Corporation Tax.

The legislation will also grant HMRC powers to recover payments which should not have been made under both the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS). This could be where an individual is not entitled to SEISS and has claimed regardless, or where a company has claimed for a grant under the CJRS, which they have not used to pay employees their wages, and the associated pension, National Insurance (NI) and PAYE contributions. In situations of deliberate non-compliance, HMRC will have the power to issue penalties.

Anyone wishing to provide a response should email their feedback to businessprofits.admin@hmrc.gov.uk prior to the closing date.

Back to [Contents](#)

Employment Tribunals – New road map

3 June 2020

Presidents of the Employment Tribunals have updated their FAQ documents to reflect how tribunals will operate during COVID-19.

With thanks to Daniel Barnett's [Employment Law Bulletin](#).

The Presidents of the Employment Tribunals (E&W, and Scotland) have updated their [FAQ document](#) containing details of how tribunals will operate during the coronavirus crisis.

There is a [new road map](#) (from page 19). You need to read the whole document, but in summary:-

June 2020: some hearings will start using the Cloud Video Platform developed by the Ministry of Justice, mainly straightforward money claims where there is little or no disputed evidence. However, most hearings will not take place during June.

July/Aug 2020: some standard track cases (typically unfair dismissal) will be heard remotely, and some short-track (simple money claims) and preliminary hearings will begin to be heard in person at tribunals which are ready to embrace social distancing measures. It is unlikely open track cases (eg discrimination) will be heard, because few wing members will have been trained in the Cloud Video Platform.

Sept/Oct 2020: tribunals will begin to determine open-track cases using the Cloud Video Platform, with a small number of in-person hearings or hybrid hearings.

Nov/Dec 2020: this will be used as a period of consolidation and review.

The roadmap remarks that these are aspirations, and are contingent - in part - on increased staff numbers (especially in the London regions). It also emphasises that different ET regions are likely to go at different speeds, given the variable distribution of HMCTS staff.

As well as the roadmap, the answers to FAQs 2, 3, 9, 10 and 15 have been updated, and there are new FAQs 21, 22 and 25.

Back to [Contents](#)

The Treasury reveals business loan scheme statistics

4 June 2020

While much focus has been placed on the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS), it is important to remember that a range of other measures have been implemented by the government intended to support businesses through the outbreak of coronavirus.

HM Treasury, on 2 June 2020, [updated a set of statistics](#) relating to several business loan schemes that have been implemented to highlight how much support has been provided, and to how many applicants. The figures provided were accurate as of 31 May 2020.

The Coronavirus Business Interruption Loan Scheme (CBILS)

The CBILS was launched to support small and medium-sized businesses, by allowing them to access loans and other forms of finance up to a cap of £5 million. The government guarantees 80% of the finance to the lender and will pay interest and any fees for the first 12 months.

Businesses must be based in the UK, and have an annual turnover of no more than £45 million in order to qualify. Applicants will need to be able to demonstrate that their business would be viable if it weren't for the coronavirus crisis, and show that it has been negatively impacted by the outbreak of COVID-19.

Further information on the scheme can be located [here](#).

As of 31 May 2020, the CBILS had paid out £8.92 billion across 45,843 claims. The total number of claims made, including those rejected, was 89,724.

The Coronavirus Large Business Interruption Loan Scheme (CLBILS)

The CLBILS was established with the aim of helping medium and large-sized businesses to access loans and other forms of finance up to a maximum of £200 million. The government guarantees 80% of finance to the lender.

Businesses must be based in the UK, have an annual turnover exceeding £45 million and not have received support under the Bank of England's COVID-19 [Corporate Financing Facility](#). Applicants will need to be able to prove that their business would be viable if it weren't for the coronavirus crisis, and also be able to show how their business has been adversely affected by COVID-19. They must also be able to show how the loan would enable them to trade out of any short to medium-term difficulty resulting from coronavirus.

Businesses borrowing more than £50 million must agree to certain restrictions on dividend payments, senior pay and share buy-backs for the duration of the loan.

More information on the CLBILS can be found [here](#).

As of 31 May 2020, the CLBILS had paid out £1.1 billion across 191 claims. The total number of claims made as of that date was 579.

Bounce Back Loan Schemes (BBLs)

BBLs were introduced to help small and medium-sized businesses borrow between £2,000 and 25% of their turnover. The maximum available under these schemes is £50,000. The government guarantees 100% of the loan and there are no associated fees or interest to pay for the first 12 months. After this period, the interest rate will be 2.5% a year.

In order to qualify, businesses must be based in the UK, have been established prior to 1 March 2020 and have been adversely impacted by coronavirus.

More information on the BBLs is available [here](#).

As of 31 May 2020, the BBLs had paid out £21.29 billion, across 699,354 claims. As of 31 May 2020, 873,192 claims had been made.

Coronavirus Future Fund

The Future Fund is providing government loans ranging from between £125,000 to £5 million to UK-based companies, where there is at least equal match funding from private investors.

These convertible loans may be suitable for businesses that are dependent on equity investment, and are unable to access other government business support programmes because they are pre-revenue or pre-profit. The scheme will be open until the end of September 2020.

There is stringent eligibility criteria, and more information about the Coronavirus Future Fund can be accessed [here](#).

The only information provided by the Treasury at this point is that, as of 31 May 2020, the total number of applications stood at 464.

Back to [Contents](#)

The Resolution Foundation calls for higher pay and better conditions for low-paid workers

4 June 2020

The Resolution Foundation has published a [report](#) which highlights how the UK's 4.2 million low-paid workers have been impacted most negatively by the outbreak of coronavirus. Whether that be because it is significantly more likely that they have lost their jobs or been placed on furlough than higher earners, or because they are in roles that have meant prolonged exposure to the danger to health posed by COVID-19.

Whilst key workers have been praised by both government and the public throughout the duration of the coronavirus crisis, attention has been turned to the low pay and unfavourable working conditions that they have to endure. It has been highlighted that copious amounts of key workers are paid below the real living wage, with many more who, in reality, are paid below the mandatory minimum wage.

Whilst the Resolution Foundation applauds the introduction of, and subsequent increases to, the National Living Wage (NLW), and states that the NLW should continue to rise as per the government's intention of reaching two thirds of median earnings by 2024, it believes that wider progress, outside of the NLW, is required for those in low paid roles. This relates to better-quality work, and includes the fact that they should be treated with both dignity and respect at work, to the same degree as those working in higher-paid jobs.

The report highlights the following issues faced by low-paid workers:

- Pay inadequacy – over half of care workers are paid below the real Living Wage. Up to 160,000 aren't paid the legal minimum wage
- Work uncertainty – Low-paid workers are more likely to feel anxious about work uncertainty with 1.2 million workers reporting last-minute changes being made to their work shifts which has resulted in a loss of pay
- Financial insecurity – Less low-paid workers are paid weekly, with 744,00 workers being moved from weekly pay to monthly pay, with no discussion or debate

The Foundation urges government to remember the individuals who have guided the country through the crisis, and kept it afloat, and to set out a new settlement for low-paid workers. The settlement should include:

- Giving workers more control over the hours they work – this should include a contract that shows the actual hours they work, and an entitlement to compensation if shifts are cancelled without sufficient prior notice
- Helping to address financial insecurity – large firms should allow workers to choose how regularly they are paid – e.g. weekly / monthly
- Reducing job insecurity – The qualifying period for unfair dismissal should be reduced from two years to one
- Ensuring that these new rights are upheld – through a Single Enforcement Body. This is something that has been discussed at length as part of the 'Good Work Plan'
- Establishing new wage boards – in industries where standards must be raised, new wage boards should be established, consisting of employers, employees and independent representatives. The Foundation recommends that this starts in social care

Economist at the Resolution Foundation, Hannah Slaughter, said:

"Britain's low-paid workers have been at the heart of the current economic crisis. They are the most likely to have lost their jobs, or to have put their own health at risk by working on the frontline.

The appreciation now being expressed for these workers is in stark contrast to the fact that for too long we have offered them a world of work based on insecurity and exploitation, not dignity and respect.

Britain's post-pandemic economy will look different from the one before coronavirus hit. For low earners that should be because the government has put in place a new settlement, based on more respect, higher pay, and better conditions at work.

New wage boards should drive up standards in problem industries, while workers need to be given more control of the hours they work and when they are paid. Rights must not only be strengthened but enforced. These are balanced, moderate proposals, that taken together would amount to a new settlement for low-paid workers."

Back to [Contents](#)

Quarantine when entering, or returning to, the UK in relation to SSP

5 June 2020

Guidance provided on [gov.uk](https://www.gov.uk) stipulates that residents or visitors travelling to the UK on, or after, 8 June 2020, must disclose their journey and contact details and must also remain in the place that they are staying, for the first 14 days that they are in the UK.

To disclose journey and contact details, individuals must complete a [form](#), which cannot be submitted until 48 hours before they are due to arrive in the UK.

Once the rules are implemented, in England, individuals could be fined £100 for refusal to provide contact details and £1,000 for refusal to self-isolate, and could potentially face further action. The enforcement measures may differ in Wales, Scotland and Northern Ireland but further detail is not available at this point.

Anybody travelling to the UK prior to 8 June does not need to adhere to these requirements, but they are advised to check the [latest public health advice](#) on coronavirus before travel, or if they have just arrived in the UK.

Anybody travelling from Ireland, the Channel Islands or the Isle of Man does not need to self-isolate or provide journey and contact details if they were there for 14 days or more.

There is a reminder to everyone not to travel if they are experiencing symptoms of coronavirus.

CIPP comment

Due to the inclusion of the term 'self-isolate', the CIPP approached HMRC to query whether this would become a reason for Statutory Sick Pay (SSP) incapacity, and has been told that, were a person to be subject to quarantine (even if it is referred to as self-isolation), then they would not be eligible for SSP. This would be due to the fact that they wouldn't have been advised by the NHS or other health authority to do so, and the Department of Work and Pensions (DWP) have no intentions to extend SSP to cover this scenario.

Back to [Contents](#)

Further dates for HMRC webinars to assist with COVID-19 support measures

5 June 2020

Due to popular demand, HMRC has added more webinar dates to help support businesses to navigate some of the schemes implemented by the government in response to the coronavirus crisis.

Coronavirus COVID-19 Statutory Sick Pay Rebate Scheme

This webinar provides an overview of the scheme, and discusses who can claim, when SSP can be paid, which employees employers can claim for, the process involved in making a claim, employer record-keeping duties, and more.

There are several additional dates available for this webinar, and anyone who is interested should register [here](#).

Coronavirus Job Retention Scheme – How to make a claim

These sessions are designed to guide claimants through making a claim by detailing what information they need to provide, and what they must do prior to making a claim. There is also guidance relating to the calculation and processing of claims.

To register for one of the upcoming sessions, please click [here](#).

Back to [Contents](#)

Face coverings will become a mandatory requirement for those using public transport

8 June 2020

The Department for Transport has [confirmed](#) that from 15 June 2020, passengers on buses, coaches, trains, trams, ferries and aircraft will be required to wear face coverings for the duration of their journeys in order to limit the risk of spreading coronavirus, as social distancing is not always possible on public transport.

The official advice is that people should continue to avoid using public transport where possible and to walk, cycle or drive but there is the understanding that for some individuals, this is not an option. If individuals have the option to work from home, they should continue to do so. However, increased public transport usage has been reported recently, particularly on the tube.

Social distancing is often not possible on public transport, where people are likely to be in an enclosed space for a prolonged period of time, and differs to other enclosed spaces such as shops, where limits can be placed on the number of customers allowed in a premises at any given time. For these reasons, the government intends to work alongside travel operators to make it mandatory for passengers to wear face coverings, from 15 June, when using public transport in England. Operators will have the ability to refuse travel or issue fines for those individuals who fail to wear a face covering.

The advice is that people using face coverings should wash their hands or use hand sanitiser prior to applying their face covering and after taking it off. Whilst wearing the covering, people should avoid touching their face.

The CIPP recently ran a Quick Poll which asked what the main challenges would be in getting the UK back to work, and 19% of respondents confirmed that travel on public transport was an area of concern.

Transport Secretary, Grant Shapps, said:

“People should continue to avoid public transport wherever possible. But, as restrictions are carefully eased when it is safe to do so, it’s likely that we will see more people needing to use public transport.”

So, while respecting social distancing and maintaining good hand hygiene remain the most important steps we can all take to stay safe, wearing a face covering can play a role in helping us to protect each other.

This is about the small changes we can take to help control the virus, which is why I urge everyone using transport to wear a face covering, to help keep us all safer.”

CIPP comment

When deciding which employees to remove from furlough and bring back into work, employers may consider those able to drive, cycle or walk into work before those who must use public transport. This is in order to reduce the health risks that public transport could potentially pose to those without the option to travel privately by car, bicycle or indeed by walking.

Back to [Contents](#)

CIPP webcast: Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS) update

8 June 2020

The CIPP’s Policy and Research team has created a new [webcast](#) to update payroll professionals on recent announcements relating to the future of the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS).

The CJRS is due to change from July 2020, and employers will have the option to bring employees back to work on a part-time basis whilst still claiming through the grant for hours not worked. There will be a tapered approach to the level of government funding under the scheme, until it finally closes at the end of October 2020. Further guidance is due to be published on 12 June 2020 but the [webcast](#) provides detail surrounding what we know to be true at the point of broadcast (5 June 2020).

Rishi Sunak also announced that there will be a second and final grant available under the Self-Employment Income Support Scheme (SEISS) and the [webcast](#) also discusses this.

In order to ensure you are as up to date as possible with future developments relating to the CJRS and the SEISS, don't delay and listen to the CIPP's [webcast](#) today.

Back to [Contents](#)

Research suggests that work is negatively impacting employee wellbeing – and the COVID-19 crisis is exacerbating this

8 June 2020

[The Chartered Institute of Personnel and Development \(CIPD\)](#) has warned that, even prior to the outbreak of coronavirus, work was having a negative impact on employee health. Its [latest research](#) has highlighted that the COVID-19 crisis will only serve to heighten the issue.

The CIPD's [Good Work Index report](#), which assesses the major elements that impact job quality over the long-term, shows that just as the COVID-19 crisis was unfolding in the UK, work was already having a negative impact on employee wellbeing. The elements that are measured within the report are:

- Pay and benefits
- Contracts
- Work-life balance
- Job design
- Relationships at work
- Employee voice
- Health and wellbeing

Prior to the COVID-19 crisis, workers were already saying that, when working, they always or frequently felt:

- Exhausted (22%)
- Under excessive pressure (21%)
- Miserable (11%)

A third of respondents reported that their workload in a standard week was too high, with a quarter confirming that they find relaxing outside of work difficult due to the pressures of their job. Even more worryingly, 69% of individuals who reported experiencing anxiety in the last year cited work as a contributing factor. 58% of those who suffered depression stated the same.

A snapshot survey of 1,001 workers demonstrated how the COVID-19 crisis is exacerbating several of the issues previously identified, with the following key findings:

- 22 per cent said it was probable that they would lose their job in the next year
- 43 per cent of those with a mental health condition say that the outbreak of coronavirus has contributed to, or worsened, their condition
- 29 per cent of those with anxiety say the pandemic has contributed to, or worsened, their condition

In response to the survey's findings, the CIPD has offered a list of recommendations for employers to promote healthy working practices. The list includes:

- Assessing workloads, and ensuring that staff are not under excess pressure
- Ensuring that managers are sufficiently trained in conducting supportive and sensitive discussions on wellbeing. They also need to understand how important regular contact is for staff who are working remotely
- Highlighting benefits such as counselling helplines, that may already be available to employees
- Allowing workers to have more control over how, when and where they work

The report can be accessed and read in its entirety [here](#).

[Back to Contents](#)

The CIPP's future of the Self-Employment Income Support Scheme (SEISS) factsheet is now available

10 June 2020

The CIPP's Policy and Research team has created a new [factsheet](#) to update payroll professionals on recent announcements relating to the future of the Self-Employment Income Support Scheme (SEISS).

On 29 May 2020, Chancellor Rishi Sunak announced that a second and final grant would be made available to further support the self-employed, including members of partnerships, through the outbreak of coronavirus.

The [factsheet](#) provides an overview of the first grant offered under the scheme, and revisits the eligibility criteria, as this remains the same for both the first and second grant. The [factsheet](#) discusses what we know so far about the second SEISS grant, but further guidance on how it will operate is due to be published on 12 June 2020.

Also of interest is the role of agents in relation to the SEISS, and the [factsheet](#) provides key information in this area.

The [factsheet](#) relating to the Self-Employment Support Scheme is just the latest in a range of factsheets that the CIPP's Policy and Research team has created in order to provide helpful guidance to payroll professionals about crucial areas of payroll. The idea is that the factsheets can be printed off and easily digested in a small amount of time to fit around the increasingly busy lives of payrollers.

[Back to Contents](#)

Introduction of VAT domestic reverse charge for construction services delayed

10 June 2020

HMRC has [confirmed](#) that the planned introduction of the VAT domestic reverse charge for construction services has been delayed further from 1 October 2020 to 1 March 2021, due to the impact that coronavirus has had on the construction sector.

The change was initially due to be implemented from 1 October 2019 but was deferred for a period of 12 months, as industry bodies expressed their concerns around the lack of preparation and therefore, the potential negative impact on businesses.

There has also been an amendment to original legislation, laid in April 2019, which means that it is mandatory for businesses who are excluded from the reverse charge because they are end users or intermediary suppliers to inform their sub-contractors in writing of this fact. The rationale behind this is to ensure that both parties are aware whether the supply is excluded from the reverse charge.

The new rules relating to the domestic reverse charge mean that UK customers who get supplies of construction services must account for the VAT due on these supplies within their VAT return, and pay the VAT owed straight to HMRC, as opposed to the UK supplier. This will prevent criminals from stealing the VAT that is due to HMRC and it is hoped that the changes will work to significantly reduce fraud in the sector.

HMRC will update [reverse charge guidance](#) to accommodate the change to the implementation date and also the requirement for end users and intermediary suppliers to inform suppliers where they want to be excluded from the reverse charge.

[Back to Contents](#)

MaPS awarded extra £38 million to fund debt advice and other financial support for those affected by the outbreak of coronavirus

10 June 2020

The Money and Pensions Service (MaPS) has secured an additional £37.8 million to enable it to provide debt advice and further financial support for individuals who are suffering financially due to the outbreak of coronavirus.

In a [press release](#), MaPS confirmed that it estimates that the UK's need for debt help will increase by over 60%, and will peak at the end of 2021, and is advising people to take action sooner rather than later to avoid escalating debt problems in the future.

MaPS has committed to:

- Ensuring one million additional people in England receive debt advice over the course of the next 12-18 months
- Delivering enhanced money guidance to a further two million across the UK. This is in an effort to offer earlier intervention for those affected by the COVID-19 crisis, and to minimise the number of people requiring full debt advice in the future
- Advancing projects to maximise the capacity of existing debt advice to help as many people as possible. One such example is the [Pilot of Adviser Capacity and Efficiency](#)

MaPS will manage the funding, and will lay out the process for allocating those funds in the near future.

The MaPS budget prior to the additional fund for debt advice for 2020/21 is £64.6 million, and is drawn from government funds, reallocated MaPS budget and an industry levy. Alongside the Financial Conduct Authority (FCA), MaPS hopes to establish a more sustainable, and fairer debt advice funding approach for the future.

As debt advice is a devolved matter, in addition to the £37.8 million, £5.9 million is also being given to Northern Ireland, Scotland and Wales.

Chief Executive at MaPS, Caroline Siarkiewicz, said:

"This pandemic is first and foremost a health emergency, but for many the longest lasting impact will be a financial one. Experience and evidence tell us that the number of people needing formal debt advice in the wake of a major event like this increases slowly at first but is then likely to grow for many months. When the greatest demand for debt advice hits, potentially in 18 months' time, we need to be ready and that means acting now.

Debt services are already over-subscribed so we'll be working hard to help people early, before their financial situation gets too bad. We already have projects under way to help deliver debt advice differently, making better use of data and helping people find the advice that is available more efficiently. For people facing money struggles it's important they know we are by their side to help them through – not just now, but for the many months to come."

MaPS already provides steps that those facing financial difficulty should take, and advises individuals to:

- Create an emergency budget – to create a full picture of how much income is coming in, and how much is being spent
- Contact creditors if there is a possibility that payments may be missed – Many companies are adapting repayment schedules or making allowances to help people to manage their cash flow, but it is essential to contact them in advance of a missed payment
- Be cautious about borrowing – Those who have emergency savings should use them before considering borrowing, and where possible, borrowing should be from friends and family. This is because high-cost credit can create further financial difficulty

Back to [Contents](#)

The CIPP's latest Quick Poll: How has working from home affected your productivity?

11 June 2020

The CIPP's Policy and Research team has launched its latest [Quick Poll](#) on the CIPP's News Online page.

Following government advice on how to stop the spread of coronavirus, many companies have asked their staff to work from home, where possible, and this has been the case for a number of months now.

The Policy and Research team would like to know how working from home has affected the productivity of payroll professionals, or, indeed if it has had no impact at all. There will be staff who have not been working from home and also employees who worked from home prior to the outbreak of coronavirus, who have not seen any change to the way in which they work. Regardless of your situation, we want to hear from all of you.

We appreciate that, particularly under the certain circumstances, payroll departments are under enormous amounts of pressure to get people paid both accurately and on time, so we would be really grateful if you could spare a moment of your time to answer the latest [Quick Poll](#) so that we can get an insight into how home working has affected those within the payroll profession.

We will publish the results of the [Quick Poll](#) in News Online.

Back to [Contents](#)

Updates to guidance on the treatment of expenses provided to employees during COVID-19

15 June 2020

HMRC has updated two pages of guidance in relation to the treatment of [certain expenses and benefits provided to employees during coronavirus](#) and on checking which [expenses are taxable if employees work from home due to coronavirus](#).

Within [guidance](#), HMRC confirms how to proceed when returning office equipment. If the equipment is provided by the employer, so they have supplied employees with office equipment in order to enable them to work from home, there is no tax charge when they return the equipment back to the employer, as long as there is no transfer of ownership. If an employer does transfer ownership of the equipment to an employee, then this becomes an employee benefit. The charge must be calculated on the market value of the equipment at the time of transfer, minus any amount made good by the employee.

If an employee bought their own home office equipment to use when working from home and an employer has reimbursed the exact expense, then unless the employer has specified that the employee must transfer the ownership to them then the equipment is owned by the employee. There is no benefit charge on the reimbursement, and no benefit charge if the employer allows the employee to keep the equipment, as it is something that they already own.

Updated [guidance](#) confirms that, if employers pay for travel and subsistence expenses for employees travelling to temporary workplaces, if an employee was furloughed whilst travelling to a temporary workplace then the period of furlough forms part of that period of continuous work. A period of working from home is also counted as part of the period of continuous work. However, the workplace ceases to be temporary from the date that attendance there is expected to exceed 24 months. Tax and National Insurance (NI) contributions will at that point become liable on payments of any travel and subsistence expenses.

Back to [Contents](#)

Self-Employment Income Support Scheme (SEISS) updates

16 June 2020

A second and final grant will be made available to the self-employed under the Self-Employment Income Support Scheme (SEISS), and claims can be made in relation to this in August 2020. The eligibility criteria remains unchanged from that of the first grant, and individuals making a claim for the second grant will need to confirm that their business has been adversely affected by the outbreak of coronavirus on, or after, 14 July 2020.

Unlike the previous grant, which paid 80% of average monthly trading profits, up to a cap of £7,500 for a three-month period, the second grant will be for a taxable grant worth 70% of an individual's average monthly trading profits. This will be paid out in a single instalment to cover a further three months' worth of profits, which will be capped at £6,570 in total.

Individuals are able to make a claim for the second grant even if they did not claim for the first grant. Applications for the first grant must be made by 13 July 2020 at the very latest.

The online service through which to make a claim for the second grant has not yet been established but [guidance](#) will be updated as soon as it is made available.

In response to the fact that many questions were raised around the issue of what a business being 'adversely affected' by coronavirus looked like, in relation to the SEISS, HMRC has [published](#) a table of examples to show where individuals would be deemed as being adversely affected for the first grant, or second grant, and, in some scenarios, for both.

Scenario	Adversely affected for first grant	Adversely affected for second grant
A builder's trade was not impacted. She worked on a very small building site and was still able to go to work throughout the whole of the crisis as she was able to work at a social distance.	No	No
A builder was unable to find work from March to September because of the government restrictions on building sites and the economic impact of the crisis on the companies she worked for.	Yes	Yes
A builder worked on short-term contracts on various building sites. She only had half the work she would normally have between March to May because some of her building sites were closed. She was able to work as normal from June because her building sites reopened.	Yes	No
A builder worked on short-term contracts on various building sites. She had no work from March to April because her building sites were closed. She was able to work as normal from May because she works on small house extensions which are completely outdoors.	Yes	No
A builder was able to work as normal from February to August because she works on small house extensions which are completely outdoors. However, she caught coronavirus in August, meaning she had to self-isolate and was unable to work for 6 weeks while she recovered.	No	Yes

Back to [Contents](#)

Late filing and payment penalties – HMRC Support

16 June 2020

HMRC is supporting taxpayers during the Coronavirus (COVID-19) pandemic by providing the option to defer [Value Added Tax payments](#) between the period 30 March to 30 June 2020, and the [July 2020 income tax self-assessment payment on account](#). Further details of this scheme, and the specific conditions that apply are available at www.gov.uk.

It is important that the tax system continues to function so that it can fund vital public services, such as the NHS. Customers should continue to pay and file on time, and HMRC is grateful for those individuals and businesses that are able to do this. However, HMRC understands that some individuals and businesses will find it difficult to meet deadlines. For example, they may not have access to their business premises or be able to provide the necessary paperwork.

HMRC will now accept the impacts of COVID-19 as '[reasonable excuse](#)' for people who are late filing their returns or paying their tax, and the relevant penalties will be cancelled, provided the employer has managed to file or pay as soon as they were able to.

Employers normally have 30 days to appeal, or ask HMRC for a review, but HMRC know it may not currently be possible for businesses to do this, which is why people are being given an additional three months to do this if they need to. There is more detail about this on [GOV.UK](#)

If an individual cannot pay their tax because of COVID-19, HMRC may be able to agree 'time to pay' arrangements with them. HMRC will agree these on a case-by-case basis and tailor them to meet people's individual circumstances. HMRC has set up a dedicated helpline for dealing with time to pay arrangements. If help is needed, or individuals want to talk about available options, please phone HMRC on 0800 024 1222.

Back to [Contents](#)

Withdrawal of ordering paper P45s and P60s from HMRC: postponement

16 June 2020

In March 2020, HMRC announced that they were intending to withdraw the facility of ordering blank P45s and P60s online. Due to the COVID-19 pandemic, HMRC has postponed this action until 1 August 2020 to give employers more time to prepare for the change. After this date, employers will be expected to print or issue their own digital P45s and P60s, but if this isn't an option, the extra time given until the online service is removed should be used to implement this.

Those employers who are exempt from operating their payroll online will not be affected, and should continue to contact the [HMRC Order Line](#) to order their stationery by telephone.

Last year, just 3% of employers ordered blank forms from HMRC, and are being contacted by HMRC with details of how to produce their own. HMRC records show that the peak order period for P60s occurs during the months of February and March, so by postponing the stoppage of this facility until August, it will give employers ample time to prepare.

If you are one of the 3% of employers who do use this form, HMRC urges you to:

- Prepare to start using payroll software to print or issue digital P45s and P60s
- Make sure that you have enough stationery for the end of the tax year, and for any employees leaving your employment, while you are preparing to switch
- If you use a payroll provider or bookkeeper, speak to them now to make sure they are ready

Back to [Contents](#)

The treatment of Direct Earnings Attachments during the coronavirus crisis

17 June 2020

On 3 April 2020, the Department for Work and Pensions (DWP) [confirmed](#) that it would be writing to employers to instruct them to temporarily suspend Direct Earnings Attachment (DEA) deductions from employees' pay in April, May and June 2020, due to the outbreak of coronavirus.

The guidance states that employers will be notified if this suspension is to be extended.

The CIPP has contacted the DWP via its Debt Management contact centre to enquire if the suspension of DEAs will continue beyond June 2020. The team advised that, whilst not officially confirmed, the intention is for DEA deductions to resume from July 2020, and that letters would be circulated in due course to communicate this.

We await further confirmation of how DEAs will be treated after June 2020, and will update members through News as we hear further information.

[Back to Contents](#)

The Pensions Regulator updates guidance in relation to changes to the CJRS and how this will affect pension contributions

17 June 2020

The Pensions Regulator (TPR) has published updated COVID-19 [guidance](#) for employers in recognition of the fact that, from 1 July 2020, staff may be furloughed on a flexible basis, and permitted to return to work part-time for their employer. It also considers that, for claims commencing on, or after, 1 August 2020, employers no longer have the option to claim a grant for up to the statutory minimum automatic enrolment (AE) employer contribution.

For individuals who are working for some of the hours in a claim period but are also being furloughed for a proportion of hours in July 2020, employers will need to calculate the total pay, and pay this via the normal payroll process. Both employee and employer pension contributions must be calculated on this total amount of pay. To illustrate, if an employee earned £100 for hours worked and adjusted furlough pay of £50 for furloughed hours within the claim period, then £150 must be processed through payroll, and pension contributions under the employer's pension scheme rules must be based on the full £150.

Employers will need to be aware of the amount of furlough pay that is included in the total pay for the pay period as it is only on that amount, that they may claim a grant for up to the statutory minimum employer pension contribution. To use the previous example, employers will only be able to claim a grant of up to the statutory minimum AE employer contribution on £50 as that is the amount of pay that relates to furloughed hours.

For claims starting on or after 1 August 2020, employers no longer have the option to claim for the employer pension contribution figure on furlough pay.

Employers must continue to pay employees who are on furlough the lower of 80% of their reference wage or salary, or £2,500. The government will still fund this 80% for claims relating to August, but will fund 70% in September 2020 and 60% in October 2020. Employers will be required to ensure that employee pay remains at 80%, or £2,500, if capped, so will need to contribute in September and October to bring employee pay up to 80%. Pension contributions should be calculated and paid across on the full amount of pay but employers cannot claim any of this back through the Coronavirus Job Retention Scheme (CJRS).

Employers will be required to pay more than the statutory minimum contribution if their worker is working part-time during the furlough period, for July 2020 only. Where this is the case, any contributions over the AE statutory minimum contribution will not be funded by the CJRS. Employers should, however, carry on making the correct contributions due under the scheme, and so will be required to pay a portion of the pension contribution themselves.

[Back to Contents](#)

The NHS Test and Trace service and its effect on pay

18 June 2020

The NHS [test and trace service](#) ensures that anyone symptomatic of coronavirus can quickly determine whether or not they have the virus, and also works to trace recent contacts of anyone who tests positive for coronavirus, and notifies them to self-isolate if necessary, to stop the spread of the virus.

The [Statutory Sick Pay \(General\) \(Coronavirus Amendment\) \(No. 4\) Regulations 2020](#) were laid to come into force from 28 May 2020, and mean that those who have been contacted via a relevant notification, and advised to stay at home and self-isolate, will be deemed as incapable of work, and therefore entitled to Statutory Sick Pay (SSP).

The public must take certain steps in order for the test and trace service to be a success, and they include:

- Individuals self-isolating if symptomatic of coronavirus along with other members of their household, and ordering a test to determine whether or not they have coronavirus
- Where individuals test positive for coronavirus, they must promptly share information about recent contacts through the NHS track and trace service, so that those people can be contacted and potentially advised to self-isolate
- If an individual has been in close contact with someone who had coronavirus, they must self-isolate if the NHS test and trace service advises them to do so

The guidance is only applicable in England, and different rules may apply in the devolved nations.

If an individual has coronavirus, they will be contacted via text message, email or phone and they will be provided with a link to the NHS test and trace website. They should then create a confidential account where they can disclose information about recent close contacts.

Contact tracers will:

- Call from 0300 013 5000
- Send text messages from 'NHStracing'
- Ask individuals to sign into the [NHS test and trace contact-tracing website](#)
- Ask for an individual's full name and date of birth to confirm their identity, and postcode to offer support while self-isolating
- Ask about the coronavirus symptoms the individual has been experiencing
- Ask individuals to provide the name, telephone number and/or email address of anyone they have had close contact with in the 2 days prior to their symptoms starting
- Ask if individuals have been in contact with anyone who is under 18, or lives outside of England

Contact tracers will never:

- Ask individuals to dial a premium rate number to speak to them (for example, those starting 09 or 087)
- Ask individuals to make any form of payment or purchase a product or any kind
- Ask for any details about an individual's bank account
- Ask for an individual's social media identities or login details, or those of their contacts
- Ask for an individual's passwords or PINs, or ask them to set up any passwords or PINs over the phone
- Disclose any of an individual's personal or medical information to their contacts
- Provide medical advice on the treatment of any potential coronavirus symptoms
- Ask individuals to download any software to their PC, or ask them to hand over control of their PC, smartphone or tablet to anyone else
- Ask an individual to access any website that does not belong to the government or NHS

Workers in self-isolation are entitled to SSP for every day that they spend in isolation, if they meet the eligibility conditions, and this is also applicable for those self-isolating due to the test and trace service.

Back to [Contents](#)

The challenges of furlough at the frontline

19 June 2020

The coronavirus pandemic has had, and continues to have, a massive impact on our personal and working lives.

The CIPP policy team believe that no knowledge is ever wasted and with that thought in mind are hosting a virtual meeting on 30 June 2020 to discuss the impact that Covid-19 outbreak has had on our work from the moment we were told by the Prime Minister Boris Johnson to '*work from home where possible and only travel when absolutely essential*'.

Your experiences shared during the virtual roundtable will be put forward into an article to be published in the CIPP monthly magazine, Professional in Payroll, Pensions and Reward (PiPPaR) and put forward to join other shared experiences within the [Coronavirus hub](#). All contributions, whether they be oral or written will be anonymous unless you request otherwise.

No subject will be out of bounds however we have listed some questions and subjects that you may find useful in considering the impact Covid-19 has had on you. This isn't an exhaustive list.

Furlough and the Coronavirus job retention scheme:

- How time-consuming has it been to reach furlough agreements?
- How difficult has it been to identify 80% of earnings etc for reclaiming under CJRS
- How easy has it been for the CJRS claim file to be created?
- To what extent has your payroll software been able to help?
- Did the lack of clarity in the furlough rules prove problematic?
- Have there been any overpayments to furloughed workers? And how will these be recovered?
- Looking ahead to 1 July what concerns do have you for flexible furlough and the reducing level of government financial support?

Working conditions and relationships:

- Have you and your colleagues worked at home throughout the lockdown?
- Were you or any of your payroll / HR / Finance colleagues furloughed?
- Was the equipment used at home suitable?
- Were there any software and/or security issues?
- How has your employer supported you?
- Have you, your colleagues and employer have been able to maintain your integrity and high professional standards?

Government collaboration:

- Do you feel as though the government and your employer have treated you as a key worker?
- Do you think that it would be helpful were the government to consult to formalise the rules for paying staff during furlough period before another pandemic or crisis occurs?

Geographical extent

CIPP comment

The virtual roundtable is being held on the afternoon of 30 June 2020 and invitations will be issued shortly to all to enable full, fellow and Chartered. To register your interest in attending this roundtable, please email policy@cipp.org.uk.

Back to [Contents](#)

Coronavirus payroll timeline now live

29 June 2020

The coronavirus payroll timeline is a handy tool for payroll professionals which pinpoints key dates in the calendar in relation to the outbreak of COVID-19 and its effect on policies.

As so many payroll policies have been impacted by the outbreak of coronavirus, and a number of different government initiatives have been implemented to help the economy through this period of turbulence, Julie Northover has produced

a comprehensive [timeline](#), which provides payroll professionals with a list of the key dates that they need to be aware of, and what happened on those dates.

Dates are crucial in terms of how payrolls can be processed if, we take, for example, the scenario regarding the payment of Statutory Sick Pay (SSP) for coronavirus-related absences. Those who are sick with, or self-isolating due to coronavirus are entitled to SSP from day one of sickness from 13 March 2020, but those who are shielding would not be entitled to this until 16 April 2020, due to the different dates on which various pieces of legislation were laid. This timeline aims to provide those working within a payroll environment with a quick and easy-to-use tool to assist them in their work.

Access the coronavirus payroll timetable [here](#).

[Back to Contents](#)

How does TUPE interact with the Coronavirus Statutory Sick Pay Rebate Scheme?

26 June 2020

[Guidance](#) for employers advising how to check if they can claim back for Statutory Sick Pay (SSP) paid to employees in relation to coronavirus has been updated, to confirm what happens for employees who have transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) regulations.

Employers are permitted to make a claim for SSP paid due to coronavirus to employees who have been transferred to them under TUPE, as long as they had:

- A PAYE scheme, which was started and created on or before 28 February 2020
- Fewer than 250 employees (including TUPE transferred employees) across all PAYE schemes as of 28 February 2020

If the employer did not have a PAYE scheme created on or before 28 February 2020 but the previous employer did, then the new employer can make a claim if they had fewer than 250 staff across all their PAYE schemes on that date.

The new employer can only make claims for SSP that has been paid by them, and not for SSP paid by the previous employer.

[Back to Contents](#)

'Shielding' employees able to return to work from August

26 June 2020

Health Secretary, Matt Hancock, [confirmed](#) that any employees who have been 'shielding' as a result of COVID-19 will be able to return to work from 1 August 2020 in England.

If a worker is not able to work remotely, and social distancing measures have been implemented within their workplace, then vulnerable people who have been 'shielding' will be able to return to the office. This means that the entitlement to Statutory Sick Pay (SSP) for the purposes of shielding due to coronavirus will end. It is believed that approximately 2.2 million people have been advised to 'shield' from the rest of the public by the government since 21 March 2020.

Individuals identified as being in a vulnerable category and so at higher risk from coronavirus, such as those in a certain age bracket or those with an ongoing medical condition, will also be able to meet in groups of up to six people from 6 July 2020.

[Back to Contents](#)

Downloading and accessing BACS reports during coronavirus

30 June 2020

The [Bankers Automated Clearing Service \(BACS\)](#), part of Pay.UK, has circulated an email to remind customers of the importance of keeping up to date with their messaging reports, particularly during the uncertain times we are living in. Reports are time critical, and they must be downloaded and actioned within three working days.

Failure to access and action these reports within the stated time frame will mean that payments to accounts, or collections against them may be unsuccessful in the future, which could result in problems relating to failed payments, or unpaid Direct Debits. Both outcomes could potentially lead to increased costs for businesses or unhappy customers, suppliers, and / or employees.

As many staff are working remotely, in a bid to prevent the spread of coronavirus, there have been many challenges to standard working practices. The advice provided is that businesses should monitor who can access these reports to ensure that, if key staff members are unavailable, the reports can still be accessed and actioned in their absence. Businesses should also check that staff can access the reports when working remotely as well as when working in the office.

For businesses who use the services of a bureau, they should liaise with them to confirm whose responsibility it is to access and action reports.

To access reports, there are a variety of methods:

- Via Payment Services Website (PSW)
- Via Bactsel-IP software
- Via Hardware Security Module (HSM)

Regardless of which process is used to access reports, users must remember to ensure to keep their colleagues' contact details up-to-date.

Back to [Contents](#)

Update on the treatment of DEAs during the outbreak of coronavirus

3 July 2020

Due to the impact that coronavirus, or COVID-19, has had on almost every aspect of our daily lives, the Department of Work and Pensions (DWP) [announced](#) that it would be writing to employers to instruct them to temporarily stop benefit debt repayments, and that no Direct Earnings Attachment (DEA) deductions should be taken from employee pay in April, May or June 2020.

Member feedback has highlighted the fact that the letters received from DWP actually advised employers to cancel deductions, and not to temporarily suspend them.

The CIPP has approached the DWP to ask whether the suspension to DEAs will be extended beyond June 2020, and what employers need to do to prepare. The advice given was that employers will be contacted by letter if any DEA deductions are to resume.

This is due to the fact that many people may have lost their jobs due to the effects of coronavirus, or may just be living under completely different circumstances. It may be that people opt to pay directly to DWP and not have the funds deducted through payroll. In light of this fact, and how significantly things may have changed, the DWP will be contacting individuals directly and then will be sending letters to employers should there be the requirement for a DEA to be added to an employee's payroll record.

The key point is that employers and payroll professionals should not recommence DEA deductions for staff until they receive a letter instructing them to do so. [Current guidance](#) is due to be updated shortly to reflect this information, and the CIPP will publish via News Online once this happens.

[Back to Contents](#)

Coronavirus pauses the government's review of the net pay anomaly

6 July 2020

At Budget 2020, it was announced that a call for evidence would be published in relation to the issue surrounding pensions tax relief administration, as per the pledge in the Conservative manifesto to review the problem.

Unfortunately, coronavirus has meant that the publication of the government's call for evidence has been delayed. As reported by [The Financial Adviser](#), Economic secretary to the Treasury, John Glen, confirmed that COVID-19 had affected the publication date of the call for evidence, and explained that the government will provide further detail "in due course". He said:

"At Budget 2020 the government announced a call for evidence will be published on pensions tax relief administration, in line with our manifesto commitment to comprehensively review this issue.

In the light of Covid-19, the government is considering the publication of this and other government documents on a case by case basis, taking into account the impact of Covid-19 on stakeholders."

The net pay anomaly unfortunately means that lower earners aren't receiving the 20% boost on their pension contributions that they would receive if the pension scheme they saved into was operated on a relief-at source basis. It appears that only a small amount of companies use relief-at-source pension schemes, and the majority of businesses actually use net pay arrangement schemes, so the problem is a widespread one.

In the manifesto for the 2019 general election, the Conservative Party promised to fix this problem, and at Budget the government reiterated that it was "committed to reviewing options for addressing these differences."

We await further details of when the call for evidence is due to be published and will advise members via News Online once this happens.

[Back to Contents](#)

Tax treatment of COVID-19 tests and Personal Protective Equipment

7 July 2020

HMRC has updated its [guidance](#) relating to the tax treatment of certain benefits and expenses paid to employees due to coronavirus, to explain how employers should proceed where they are providing coronavirus testing kits, or Personal Protective Equipment (PPE) to their employees.

If an employer has purchased coronavirus testing kits or tests completed by a third party to provide to their employees, then they are treated as a taxable benefit in kind on the employee.

Where employees are working in scenarios and the likelihood of the transmission of coronavirus is very high, and a risk assessment determines that PPE is required, then this must be provided to employees free of charge. The PPE must fit correctly. Providing PPE to employees is non-taxable. If an employee requires PPE to complete their job and the employer is unable to provide this, then employers must reimburse the actual expenses of employees purchasing PPE themselves. This is non-taxable and employees cannot claim tax relief on these expenses from HMRC.

[Back to Contents](#)

U-turn on tax treatment of coronavirus (COVID-19) tests

10 July 2020

Previously in its guidance on '[How to treat certain expenses and benefits provided to employees during coronavirus \(COVID-19\)](#)', HMRC confirmed that coronavirus tests would be treated as a benefit in kind for tax purposes. This decision, however, seems to have changed, and the guidance now states that coronavirus tests are not treated as a benefit in kind for the purposes of tax.

If businesses employ healthcare workers and other eligible front-line staff who get a test through the government's national testing programme, there is no tax due to be paid, and no requirement to report a benefit to HMRC. There is information on the national testing scheme in the [essential workers: get a test today to check if you have coronavirus guide](#).

For employers providing testing kits to their employees, outside of the government's national testing scheme, there will also be no Income Tax or Class 1A National Insurance (NI) contributions due, whether the kits are provided directly or purchased to be carried out by a third party.

Guidance on the topic will be updated in due course.

Back to [Contents](#)

Payroll experiences of COVID-19 - CIPP's Survey – Reminder

13 July 2020

The payroll industry are a resilient force to be reckoned with and the challenges caused by the impact of COVID-19 have not gone unnoticed.

The CIPP policy and research team would be delighted to hear your views and experience that you have personally suffered during this challenging period by way of participation in our [survey](#) on this topic.

The [survey](#) covers areas that we have been told have affected us the most, but also gives opportunity for you to share your experiences in more detail.

The results of this [survey](#), alongside feedback from virtual roundtables held and individual experiences emailed into the team, will be published and shared by the team within the CIPP's [Coronavirus hub](#) and we plan coverage in Professional in Payroll, Pensions and Reward.

A huge thank you to those that have already taken time to complete this [survey](#) and passed onto their networks and to those that participated in the virtual roundtables and have sent the team their personal stories, your input is greatly appreciated.

Geographical extent

CIPP comment

If you would like to send a written account of how COVID-19 has affected you, we would be thrilled to hear from you. Please email us at policy@cipp.org.uk

Back to [Contents](#)

Updated guidance on the treatment of DEAs during the outbreak of coronavirus

13 July 2020

Due to the impact that coronavirus, or COVID-19, has had on almost every aspect of our daily lives, the Department of Work and Pensions (DWP) [announced](#) that it would be writing to employers to instruct them to temporarily stop benefit debt repayments, and that no Direct Earnings Attachment (DEA) deductions should be taken from employee pay in April, May or June 2020.

As advised in a previous news piece, DWP confirmed that any DEA issued by them should be cancelled and that employers should await written confirmation before actioning any deductions.

This considers that many people may have lost their jobs because of coronavirus or may just be living under completely different circumstances. It may be that people opt to pay directly to DWP and not have the funds deducted through payroll. In light of this fact, and how significantly things may have changed, the DWP will be contacting individuals directly and then will be sending letters to employers should there be the requirement for a DEA to be added to an employee's payroll record.

The key point is that employers and payroll professionals should not recommence DEA deductions for staff until they receive a instructions telling them to do so. [Guidance](#) has now been updated to reflect this, advising that *"We will write to you when you need to restart making deductions."*

[Back to Contents](#)

There will be no requirement for face masks in offices

16 July 2020

Health Secretary, Matt Hancock, has confirmed that there are no plans to make English employees wear face masks while they are in the office.

Speaking to the [media](#), Mr. Hancock said:

"It's something we've looked at and rejected", but Mr. Hancock did confirm that masks should be worn by the public in other situations *"for the foreseeable future."*

The questions around face masks being mandatory in office workspaces were prompted by the fact that face coverings must be worn within shops in England from 24 July 2020 onwards.

In Scotland, it is already a requirement for shoppers to utilise face masks, and in Wales and Northern Ireland, they are considering mirroring this rule.

Speaking further on the topic, Mr. Hancock commented:

"When you're in close proximity with somebody that you have to work closely to, if you're there for a long time with them, then a mask doesn't offer that protection."

The same logic applies for schools – we're not recommending masks for schools because if you're in a classroom with kids all day then a mask doesn't give you protection."

[Back to Contents](#)

SSP entitlement for employees contacted via NHS test and trace

16 July 2020

HMRC has updated its guidance page, '[Work out your employee's Statutory Sick Pay manually](#)' to include instructions for employers in terms of how to proceed for employees who have received a notification through the NHS test and trace service, on or after 28 May 2020.

Employers should pay SSP from the first qualifying day that an employee is absent from work, as long as the full period for which they are off for is at least four days in a row. Individuals will receive a test and trace notification when they have been in contact with someone who has tested positive for coronavirus, and so will need to self-isolate accordingly.

SSP entitlement will end either after 14 days after the date of the most recent contact with the person who tested positive for COVID-19, or sooner, where specified in the notification. In these scenarios, waiting days do not have to be served.

Back to [Contents](#)

Exemption for the wearing of face coverings

27 July 2020

From 24 July, wearing a face became mandatory for members of the public who enter shops, supermarkets, shopping centres and transport hubs in a bid to help curb the spread of the COVID-19 virus.

Different [rules apply](#) across the four nations of the UK. Full details are available on gov.uk.

However, under the regulation, an exemption to this rule applies to those who are under the age of 11 and those with disabilities or have any of the following health conditions:

- Breathing difficulties and other respiratory conditions
- Conditions affecting their dexterity, meaning they are not able to put on a face covering
- Mental health conditions such as anxiety or panic disorders
- Other non-visible disabilities such as autism
- Cognitive impairments, including dementia, who may not understand or remember the need to wear a face covering
- Visual impairments, with a restricted field of vision, particularly if any residual vision is at the lower edge of the normal field of view
- Impairments which would make it difficult to put on or take off a face covering safely, accurately, consistently or without pain

The list of exemptions is not exhaustive and also extends to anyone with a justifiable reason for not wearing one on the grounds of either health or disability.

The public are advised that they also do not need to wear a face covering if they have a legitimate reason not to and this includes (but again, is not limited to):

- Not being able to put on, wear or remove a face covering because of a physical or mental illness or impairment, or disability (as above)
- If putting on, wearing, or removing a face covering will cause the wearer severe distress
- If they are travelling with or aiding someone who relies on lip reading to communicate
- To avoid or escape harm or injury, or the risk of harm or injury
- To eat or drink if necessary
- To take medication
- If a police officer or other official requests, for a removal of a face covering

Further details on those who the [exemption](#) applies to can be found at gov.uk.

The public are asked to be mindful of people who are exempt from wearing a face covering. [Exemption cards and badges](#) are available to download which can be printed or displayed on mobile phones, however, individuals are not required to prove they are exempt, and it is for them to choose how they would want to communicate this to others. For wearers of glasses, face coverings can cause a challenge by steaming up lenses, the [BBC](#) have published a short video which demonstrates three methods to avoid this problem.

[Back to Contents](#)

SSP and COVID-19 – Returning from holiday

28 July 2020

With employers encouraging employees to take annual leave, some of them may have opted to travel abroad, with a popular destination for people from the UK being Spain.

With the government's recent decision to impose a 14-day quarantine on travellers arriving into the UK from Spain, employers should familiarise themselves with the current [legislation](#) which will affect any employee returning from Spain after 26 July.

An employee who has returned from a country that is not on the UK's 'no self isolation requirement' [list](#) must go into quarantine for 14 days. On many sites, this is called self-isolation, however, this type of isolation differs from the rules that are applied to COVID-19 self-isolation.

Employees who are having to isolate after returning from a holiday or business trip are not entitled to SSP if they cannot work from home. If they can work from home, then they can be paid as normal. An employer can ask the employee to take additional holiday to cover this period so that the employee receives pay, alternatively, the employee will be placed on unpaid leave. Employers can choose to pay SSP to employees, however, there is no obligation to. Employers should ensure that they communicate this to employees and employees should communicate with employers so that all parties are aware of the situation before it occurs.#

Employees should be reminded that if they break quarantine rules, a fine of £1,000 can be imposed.

SSP is payable when an employee:

- Has coronavirus
- Has coronavirus symptoms, for example a high temperature, a new continuous cough, or a loss of, or change in, sense of smell or taste
- Someone in their household has coronavirus symptoms
- Has been told to 'shield' by the NHS because of an underlying health condition
- Has been told to self-isolate by a doctor or NHS 111
- Has been told to self-isolate by a government 'test and trace' service, because they've been in close contact with someone who tested positive ('NHS Test and Trace' in England, 'Test and Protect' in Scotland or 'Test, trace, protect' in Wales)

[Back to Contents](#)

Eat Out to Help Out: briefing pack published

29 July 2020

Ahead of 3 August 2020, when the government's Eat Out to Help Out scheme begins, HMRC has circulated a [briefing pack](#) on the topic.

Businesses are being urged to sign up to the scheme, and to take advantage of its benefits. Thousands of eating establishments have already joined, including big names like Greene King and Wagamamas, which will allow them to give their customers 50% off food and any non-alcoholic drinks, up to a maximum of £10 per head, for every Monday to Wednesday in August. Any participating companies will then be reimbursed for the discount they provide to their

customers. It is anticipated that the scheme will support approximately 130,000 businesses, protecting the jobs of up to 1.8 million workers.

Eligible establishments are encouraged to [register online now](#) before the scheme opens to customers next week. The registration portal will close on 31 August 2020. Food must be consumed on the premises, which must provide its own dining area or share it with another premises that allows customers to dine-in. Places such as restaurants, public houses that serve food and hotel restaurants will be eligible for the scheme.

Businesses can submit claims seven days after registration for days that the scheme has been operated on, and can claim once each week in August 2020. Payments will be made within five days of a claim being submitted. Once businesses have registered, they will receive a Welcome letter, promotional poster and a sticker to place in their window to inform customers that they are a member of the scheme. Additional promotional material is available at GOV.UK.

Tax agents and other intermediaries are not able to register or submit claims on behalf of their clients. Doing so may trigger a fraud alert which would subsequently mean delays in both registering and claiming. The advice given is that both the registration and the claims processes are easy to do.

The key dates to be aware of are:

- 13 July – 31 August: Registration opens to businesses
- 27 July: Restaurant finder goes live at gov.uk/eatout to help customers find which businesses are participating
- 3 August: Customers can start using the discount at registered establishments every Monday, Tuesday and Wednesday throughout August
- 7 August: The claims portal for establishments goes live – establishments can start to claim back the value of the discounts applied
- 31 August: Scheme closes to customers
- 30 September: Deadline for final claims from establishments

Back to [Contents](#)

Further support to COVID19 impacted businesses

29 July 2020

HMRC has advised that Self-Assessment (SA) taxpayers can automatically [defer](#) their July payment on account and are actively reminding those for whom this is applicable.

Ordinarily, the self-employed who are liable to make a payment on account, after filing their 2019-2020 SA tax return, are expected to make a payment on account by the end of July 2020. As announced previously by the government, anyone who has difficulty making this payment can take advantage by [automatically deferring](#) the payment until 31 January 2021.

Unlike the Self Employment Income Support Scheme (SEISS) grants, deferral does not need to be applied for nor contact made to HMRC for this to be actioned. Those wishing to defer, simply need to not pay their payment on account, which would be due 31 July 2020. If no payment is received by HMRC, systems will be automatically updated to show that the payment has been deferred and block any interest or penalties to the account, on the proviso that the payment is made by 31 January 2021.

Angela MacDonald, HMRC's Director General of Customer Services, said:

"We want to support taxpayers as much as possible as they face uncertainty and difficult circumstances. That's why we want to remind those who may struggle to pay a tax bill right now that they have the option to defer their Self-Assessment payment."

"They don't need to do anything to take advantage of this deferral. By simply not paying, HMRC will know they have deferred, and we will do the rest."

Estimates based on 2019 to 2020 SA receipts indicate that the July payment deferral will deliver up to a £11.8 billion cash flow boost to taxpayers with around 2.7 million taxpayers being entitled to the deferral.

SA taxpayers should think carefully about whether deferral is the right option for them as the timing for the payment coincides with when any balancing payments for 2019 to 2020 and the first 2020 to 2021 payment on account will be due. This could mean three separate payments being due at the same time.

Any concerns about payment of the above should be advised to HMRC to possibly arrange for them to be paid in instalments, rather than all at once.

As a reminder, payments on account are payable by SA taxpayers by 31 January and 31 July each year, unless:

- Their last Self-Assessment tax bill was less than £1,000
- They have already paid more than 80% of all the tax they owe at source, for example through their tax code

Payments on account are estimated, based on 50% of the previous year's SA tax bill and they are advance payments towards the current year's tax bill.

Back to [Contents](#)

Job Retention Bonus – guidance published

3 August 2020

As part of the Chancellor of the Exchequer's 'Plan for Jobs', Rishi Sunak announced that the government would introduce a new funding in the form of a Job Retention Bonus (JRB), providing additional support to those employers who keep their furloughed employees in meaningful employment, when the CJRS scheme closes on 31 October 2020. HMRC has now issued detail [guidance](#) in regards to the eligibility criteria.

Employers will be able to claim a one off JRB equalling £1,000 for each employee who they have previously claimed for under the CJRS scheme, as long as the employee has remained in continuous employment through to 31 January 2021, and earns at least £520 a month on average between November 2020 and 31 January 2021.

Claims can be made for the bonus after an employer has filled their PAYE for January 2021 and payments will be processed from February 2021.

As with the CJRS, all employers, including recruitment agencies and umbrella companies, are eligible to claim the JRB for each employee if they were eligible for the CJRS and made a claim under it. If an employer made an incorrect claim for an employee, then the JRB will not be payable for that employee.

Employers are advised that they should ensure that:

- PAYE has been filed and paid, accurately and on time inline with current obligations under the Real Time Information (RTI) for all employees
- Enrolment has been maintained for PAYE online
- Employers hold a UK bank account

Payroll records must be kept up to date with accurate information. Any request from HMRC to provide missing employee data in respect of historic CJRS claims must be upheld. Any failure to do so could endanger an employer's claim.

JRB claims will be withheld if HMRC suspects that there is a risk that CJRS claims have been made fraudulently or inflated and will not be released until the investigation is closed.

Employers will be able to claim for employees who:

- Were furloughed and had a CJRS claim submitted for them that meets all relevant eligibility criteria for the scheme
- Have been continuously employed by the relevant employer from the time of the employer's most recent claim for that employee until at least 31 January 2021

- Have been paid an average of at least £520 a month between 1 November 2020 and 31 January 2021 (a total of at least £1,560 across the 3 months). The employee does not have to be paid £520 in each month, but must have received some earnings in each of the three calendar months that have been paid and reported to HMRC via RTI
- Have up to date RTI records for the period to the end of January
- Are not serving a contractual or statutory notice period, that started before 1 February 2021, for the employer making a claim

Employers can claim the JRB for all employees who meet the above conditions, which also includes office holders, company directors and agency workers, including those employed by umbrella companies. The above conditions must be met irrespective of the frequency of the employee's pay periods, their hours worked or rate of pay.

Employers will only be able to make claims for employees who were eligible for the CJRS. This included those that were on parental leave prior to the 10 June and those that had returned as a military reservist after this date and had been placed on furlough. If an employee is on a fixed term contract and was claimed for under the scheme, then their employer can claim the JRB in respect of that employee, provided the other eligibility criteria are met. Contracts can be extended or renewed without affecting eligibility for the bonus, provided that continuous employment is maintained.

A new employer may be eligible to claim the JRB in respect of employees of a previous business which were transferred to the new employer if either TUPE applies, or the PAYE business succession rules apply to the change in ownership. A new employer may also be eligible to claim the JRB in respect of the employees associated with a transfer of business from the liquidator of a company in compulsory liquidation where TUPE would have applied, were it not for the company being in compulsory liquidation.

Where employers are wishing to claim the JRB under these circumstances, the transferred employees must have been furloughed and successfully been claimed for under the scheme by their new employer. An employer will not be eligible for the JRB in respect of any employee transferred under TUPE, or under the business succession rules after 31 October 2020.

As previously stated, where a claim for an employee was incorrectly made, a JRB will not be payable.

Detailed guidance will be published at the end of September 2020, which will explain what will be included in the £520 earnings, and how employers will be able to make the claim.

Employers are reminded that this one-off payment of £1,000 per eligible employee is taxable, so the employer must include the whole amount as income when calculating the taxable profits for Corporation Tax or Self-Assessment. In preparation of making a claim, employers should ensure that their employee records are up to date, and that accurate information has been reported to HMRC via RTI. All CJRS claims should be checked to ensure that they have been accurately submitted and that any amendments have been notified to HMRC.

Back to [Contents](#)

Self-isolation period increased to 10 days for those who have symptoms or are diagnosed with COVID-19

3 August 2020

NHS guidance pages have been updated to reflect the changes to isolation periods if you have symptoms or have tested positive for COVID-19.

Previously, the government advised that those who had symptoms of COVID-19 or who had tested positive for the virus, had to self-isolate for a period of seven days and could cease isolation after this period if they felt well.

With reports of a possible "second wave", the Prime Minister Boris Johnson advised that the seven days would now be extended to ten days and as such, NHS [guidance](#) has been updated to reflect this change.

If someone in your household or 'bubble' has symptoms or tested positive for COVID-19, then the rules remain the same and you are advised that you must self isolate for 14 days. A 14-day isolation period also applies if you have been told by the NHS track and trace system that you have been in contact with someone who has tested positive for coronavirus.

Employers should be reminded that Statutory Sick Pay is payable from day one where an employee must self-isolate for one of the above reasons. For employers who had fewer than 250 employees on 28 February 2020 across all PAYE payroll schemes, up to two weeks of SSP can be reclaimed via the [Coronavirus Statutory Sick Pay Rebate Scheme](#).

[Back to Contents](#)

Statutory Sick Pay (SSP) ends for those who are shielding due to COVID-19

4 August 2020

From the 1 August 2020, employees who previously were entitled to SSP on the grounds that they were shielding will cease.

During the peak of the pandemic, those employees who were at greater risk of contracting the COVID-19 virus were advised by health professionals and the government to 'shield' themselves, which meant that many were unable to work and had to stay at home. For those who this applied, legislation was amended so that employers could process SSP for this period with 'shielding' being a valid reason for SSP if an employee was unable to work from home. Shielding has now been paused and therefore [guidance](#) for employees who fall into this category has been amended, which means:

- They do not need to follow previous shielding advice
- Employees can go to work as long as the workplace is [Covid-secure](#), but should carry on working from home wherever possible.
- Employees should continue to wash hands carefully and more frequently than usual and that frequently touched areas in your home and/or workspace are maintained by thorough cleaning

As of 1 August, shielding employees are no longer eligible for Statutory Sick Pay (SSP) based on being advised to shield by the government. Employers should aid the transition back to work safely and support employees in maintaining good hand hygiene and distancing practice in the workplace if employees are unable to work from home and are required to return to the office.

[Back to Contents](#)

Working families affected by COVID-19 to be given additional support

7 August 2020

In a [press release](#) from the Department for Education (DfE), HMRC and MP Vicky Ford, it has been confirmed that working parents or carers will continue to receive financial support until the end of October 2020. This will be the case where they are eligible for Tax-Free Childcare or 30 hours' worth of free childcare, but they have fallen below the minimum income requirement as a result of the outbreak of coronavirus.

In addition to this, key workers who may have exceeded the income threshold for tax year 2020-21 due to working more hours to help to tackle the spread of COVID-19 will continue to receive support for this tax year only.

By utilising Tax-Free Childcare, offered by HMRC, for every £8 a family pays into their child's account, they will receive a £2 top-up. This is up to the value of £2,000 per child, or £4,000 per disabled child. This funding can be used towards the cost of qualifying childcare up to the age of 11, or up to the age of 17 for a disabled child.

The Deputy Chief Executive and Second Permanent Secretary of HMRC, Angela MacDonald, said:

"HMRC has been providing vital financial support to families during a time when it has been needed most and we will continue to help them as they gradually transition back to a normal life.

We want to make sure families will not be adversely affected by any abrupt change in circumstances, which is why we have extended available support through Tax-Free Childcare to give families that extra boost."

30 hours free childcare is given to eligible three to four-year olds in England by the DfE, and it is reported that just below 350,000 children benefitted from this in January 2020 alone. More than 55,00 parents have applied for the 30-hour places since lockdown measures were imposed, highlighting how this support is essential now more than ever, and demonstrating why eligibility must be protected.

Vicky Ford, DfE's Children's Minister, commented:

"Our 30 hours childcare offer has always been about supporting parents back into work, and in these times, this ambition is now more important than ever. That is why we are again extending eligibility for the government's childcare offers so that no parent loses out because of a fall in income due to coronavirus."

This builds on our significant financial support for the early years sector – who have been so integral to the UK's recovery from this pandemic. We are continuing to provide longer term reassurance to nurseries and childminders that are open by 'block-buying' childcare places for the rest of this year at the level we would have funded before coronavirus, regardless of how many children are attending."

In order to remain eligible for both Tax-Free Childcare and for 30 hours' worth of free childcare, parents need to reconfirm their situation every three months.

HMRC has also continued to provide support to Working Tax Credit claimants, in terms of the cost of childcare, throughout the COVID-19 outbreak. Any parents and carers who receive the childcare element of Working Tax Credits and have continued to pay childcare fees, despite their children not accessing childcare due to coronavirus, must notify HMRC if it is expected that this will continue after 7 September 2020. After that date, HMRC will no longer pay the childcare element for those in that position. Claimants are advised that they should contact HMRC as soon as possible if childcare stops, or if costs for childcare decrease or end. This can be done by contacting the tax credits helpline on 0345 300 3900.

Back to [Contents](#)

Claims portal for the Eat Out to Help Out scheme to open on Friday 7 August

7 August 2020

Any restaurants or establishments participating in the Eat Out to Help Out scheme will be able to submit claims through the new claims portal, which will go live on [Gov.UK](#) on Friday 7 August 2020.

The Eat Out to Help Out scheme means that, from Monday 3 August 2020, any registered restaurants or other eligible establishments can offer customers a 50% discount on any food and non-alcoholic drinks they purchase. This is up to a maximum of £10 per diner, and is applicable all day for every Monday, Tuesday and Wednesday that falls in the month of August.

Businesses are able to make claims seven days from the date of their original registration, and subject to HMRC checks that the claim is correct, payment will be made for the claim amount within five working days of its submission. The claims service will be available from 7 August 2020 to 30 September 2020.

For every day a business has utilised the scheme, it will require:

- Total number of diners who have used the scheme, including children
- The total amount of discount given
- The period the claim is being made for. This can be:
 - 3 to 5 August
 - 10 to 12 August
 - 17 to 19 August
 - 24 to 26 August
 - 31 August

If claims are being made for more than one establishment, businesses will require:

- Records for each establishment

- Overall total value of the claim for all establishments

[Back to Contents](#)

HMRC webinars and YouTube guidance on the Eat Out to Help Out scheme

10 August 2020

In addition to the [live webinars](#) and [YouTube video](#) provided on the Eat Out to Help Out scheme, HMRC has published an additional [YouTube video](#) which addresses how to make a claim through the scheme.

The new video explains how to participate in the Eat Out to Help Out scheme, and covers:

- A general overview of the scheme
- How to make a claim
- Record keeping requirements

The online claim service was launched on 7 August 2020, and will close on 30 September 2020.

Businesses can submit their claims [here](#), and can make a maximum of up to five claims until the closing date, at which point no further claim submissions can be made.

[Back to Contents](#)

Additional reason for payment of SSP from day one

12 August 2020

HMRC [guidance](#) on the topic of Statutory Sick Pay (SSP) has been updated to reflect an additional reason for payment of SSP from day one of absence, as opposed to day four.

Where someone in an employee's 'support bubble', or 'extended household' in Scotland and Wales, starts displaying coronavirus symptoms, employers must pay SSP from the first qualifying day that they are absent from work, as opposed to the fourth day. They must be off for a minimum of four days in a row, but waiting days do not need to be served prior to payment.

This will be applicable for absences commencing from 6 July 2020 onwards. SSP is payable from day one of absence for employees who self-isolated from 13 March 2020, for those who shielded on or after 16 April 2020, and for employees contacted via test and trace from 28 May 2020 onwards.

[Back to Contents](#)

Self-Employment Income Support Scheme soon to open for second grants

12 August 2020

The Self-Employment Income Support Scheme (SEISS) will open for claims from 17 August 2020, enabling eligible self-employed individuals to access a second, and final, taxable SEISS grant.

Customers will be contacted by HMRC by letter, SMS and / or email, inviting them to claim from a particular date should they meet the eligibility criteria. The eligibility criteria mirrors that of the first grant, and applicants must be able to demonstrate how their business has been adversely affected by coronavirus, at any time since 14 July 2020. They must also confirm that they intend to continue trading for tax year 2020-21.

Anyone who believes that they are eligible, but who hasn't heard from HMRC, should follow the [online claim process](#) to establish whether or not they can actually claim.

Anybody who was prevented from submitting their tax return for 2018/19 due to responsibilities associated with being a new parent may now be eligible to claim. The same is true where their trading profits for 2018/19 were less than their other income due to reasons connected to being a new parent. Eligibility includes:

- Caring for a child within 12 months of birth or adoption placement
- Pregnancy or childbirth, within 26 weeks of the date of giving birth
- A stillbirth after 24 weeks of pregnancy or more

For new parents, self-assessment returns from 2017-18 or both 2016-17 and 2017-18 can now be used to determine eligibility and to calculate the amount of the grant to be paid. Anyone in this position needs to confirm to HMRC that being a new parent affected their trading profits or total income in tax year 2018-19. The changes mean that new parents may now have the opportunity to claim for both the first or second SEISS grant, or both, when applications open for the second grant.

Back to [Contents](#)

SSP and shielding

13 August 2020

We [reported](#) the news that, from 1 August 2020, any employees who were shielding would no longer be entitled to Statutory Sick Pay (SSP) as those who were previously advised to shield could return to work from this date, providing that their workplace was Covid-secure. However, GOV.UK guidance seems to provide conflicting information on this point.

Some of the available guidance actually still cites shielding as a reason for payment of SSP.

[Statutory Sick Pay \(SSP\):](#)

"You also get SSP if you're taking extra precautions because you're at high risk of severe illness from coronavirus (known as 'shielding')."

However, other guidance seems to suggest otherwise.

[Guidance on shielding and protecting people who are clinically extremely vulnerable from COVID-19:](#)

"As of 1 August, you are no longer eligible for Statutory Sick Pay (SSP) on the basis of being advised to shield by the government. Your employer should help you to transition back to work safely and support you to maintain good hand hygiene and distancing practice in your workplace if you are unable to work from home."

In order to clarify the definite position on this fact, contact was made with the Department for Work and Pensions (DWP), who confirmed that shielding is still grounds for payment of SSP in areas in which local lockdown is being imposed. At a national level it is paused, and not stopped completely, so eligibility for SSP for anybody shielding does exist, but in a very targeted way at the moment.

The DWP, in conjunction with HMRC, will update guidance to provide further clarity shortly.

Back to [Contents](#)

HMRC confirms a number of overpayments have been made through the Self-Employment Income Support Scheme

13 August 2020

HMRC has confirmed that there are a number of self-employed individuals who have been paid incorrect amounts under the Self-Employment Income Support Scheme (SEISS), and some people have even been paid the grant in error, and should not have received any financial support at all under the scheme.

Additionally, HMRC has stated that this is only an issue that impacts a small number of people.

The Financial Adviser [reported](#) that a HMRC spokesperson said:

“We have robust processes in place to prevent grants being paid incorrectly but a small number of people were paid grants in error and some received an incorrect amount.

“The vast majority of grants were paid correctly but in a very small number of cases not all the information held on a tax return was taken into account when calculating eligibility and grants.

Our top priority has been ensuring self-employed people receive grants quickly while protecting public money from deliberate fraudsters.

On this occasion we will not reclaim these payments to avoid unnecessary hardship for taxpayers who may have already used the money.”

The SEISS was initially launched in May, to help self-employed individuals who did not qualify for the Coronavirus Job Retention Scheme (CJRS). It allowed claimants to receive up to 80% of their earnings, capped at a maximum of £2,500 per month. The scheme was extended to allow for a second and final grant to be paid to eligible individuals, this time up to 70% worth of average monthly trading profits, up to a maximum of £6,570. HMRC has confirmed that those who were impacted by the previous calculation error will not receive the overpayment again if they go on to make a second claim - they will, in fact, receive a lower sum to account for the previous overpayment.

Claims for the final grant can be made from 12 August 2020 up until the scheme's closing date of 19 October 2020. Following the submission of a claim, HMRC will conduct checks and pay the grant into the bank account provided within six working days.

Back to [Contents](#)

HMRC webinar: Self-Employment Income Support Scheme

17 August 2020

As those who wish to make a claim for a second grant through the Self-Employment Income Support Scheme (SEISS) can do so from 17 August 2020, HMRC is running a number of [webinars](#) to help support individuals through the process.

The webinar will assist in the following areas:

- Explaining how to claim the second grant under the SEISS
- Establishing who is eligible
- Establishing the amount that can be claimed
- Detailing what other support is available

This second grant is the final one that can be claimed under SEISS, and the scheme will close on 19 October 2020, so claims need to be submitted prior to that date.

The eligibility criteria remains unchanged from that of the first grant, but self-employed people must be able to demonstrate that their business has been adversely impacted (experienced lower income and / or incurred higher costs) by the outbreak of coronavirus since 14 July 2020. Businesses must keep evidence of how they have been negatively affected.

The second taxable grant is worth 70% of average monthly trading profits, as opposed to 80% under the first grant. In line with the first grant, it will be paid in one single instalment, but capped at a maximum of £6,750.

Any self-employed parents who may have had time off to have children may also be able to claim if they meet other eligibility criteria. More information is available [online](#).

Agents and advisers cannot submit claims on behalf of their clients. The quickest way for clients to claim is online and this takes the majority of people less than five minutes, using their Government Gateway account. When a claim has been successfully completed, money will be paid out within six working days.

[Back to Contents](#)

CJRS and SEISS – latest statistics released

24 August 2020

HMRC has released a third set of official statistics on the Coronavirus Job Retention Scheme (CJRS) which provide an analysis of claims for the periods up to 30 June 2020 – the last date prior to the introduction of flexible furloughing. Data has been gathered using information that had been submitted to HMRC by 31 July which was the final date that CJRS claims would have been accepted up to 30 June 2020.

The key points within this release are:

- An additional 228,000 employments have been claimed for under CJRS since the July CJRS statistics were released
- In total, 9.6 million employments have been furloughed through CJRS (32% of eligible employments) for at least part of the period between March and June. These claims have been made by 1.16 million employers, with 61% of eligible employers claiming
- 73% of employers with more than 250 employments have made at least one claim, but have furloughed 21% of their employments
- The accommodation and food services sector has had the highest furlough rate of 77%
- The wholesale and retail sector furloughed the highest number of employments, at over 1.9 million
- There has been broad consistency in furlough rates across the nations of the UK. The West Midlands region of England has the highest take-up rate of 34% against the UK average of 32%
- Men have been furloughed at a higher rate than women: 34% and 29% respectively
- The number of employments furloughed peaked at 8.9 million on 8 May, then reduced to 6.8 million by 30 June. This peak is lower than the 9.6 million mentioned above since furloughed staff have been furloughed for different periods (and not all at the same time)

The full and detailed release can be found [here](#).

In addition, HMRC has also released statistics in relation to claims made under the Self-Employment Income Support Schemes (SEISS) up to 31 July. This has been named as Experimental Statistics, as the methods used to compile the data are still in a development stage, meaning that the data produced is subject to revision.

The main findings of this review are:

- Around 5 million individuals reported self-employment income for the tax year 2018 to 2019, and had their data assessed for potential SEISS eligibility. To be assessed, a self-employed individual needed to have traded in the tax year 2018 to 2019 and submitted a Self-Assessment tax return on or before 23 April 2020 for that year
- Via this process, 3.4 million self-employed individuals were identified as potentially eligible for the SEISS scheme. This means that they met the criteria for the scheme based on Self-Assessment returns from 2018 to 2019 and earlier years. However, some of the potentially eligible businesses will not have been adversely affected by coronavirus or have ceased trading since 2018 to 2019 so will not have been eligible
- By 31 July, 2.6 million (77%) of the potentially eligible population had claimed a SEISS grant with the value of these claims totalling £7.6 billion. This compares to 2.55 million claims made and £7.4 billion claimed by 30 June, as published in the statistics in July
- The average value per claim was £2,900
- Around two-thirds of the potentially eligible population are male (2.3 million).
- A lower proportion of potentially eligible females have claimed a SEISS grant (71%) compared to males (79%)

- The average claim for females is also lower at £2,300 compared to the average claim for males of £3,200
- Around 90% of claimants are aged between 25 and 64 and take-up of the grant in those age groups is at or above 76% - no one age group dominates, and claims are evenly spread
- The sector with the highest number of potentially eligible individuals and the highest proportion of claims is the construction industry. By 31 July, construction workers had made 884,000 claims for SEISS totalling £3.1 billion
- The two regions with the highest number of claims are London (498,000) and the South East (379,000), reflecting their relative sizes
- Of the 1.6 million that did not meet the SEISS criteria, 1.4 million (88%) had trading profits less than non-trading profits (for example income from employment or investment income), 0.5 million (33%) had trading profits of £0 or made a loss and 0.2 million (11%) had trading profits over £50,000 (Note - Individuals may be counted more than once if they have trading profits which meet more than one of these criteria which explains why the figures sum to more than 1.6 million)

Full details of this review can be found [here](#).

Back to [Contents](#)

Quick Poll results: 76% of businesses hoping to use the Job Retention Bonus confirm that it will have no impact on their immediate employment plans

28 August 2020

Following on from the previous Quick Poll question, which asked if companies were intending to make use of the Job Retention Bonus, the CIPP's Policy and Research team wanted to explore further and to ask additional questions about the bonus.

The follow up question that was posed, asked whether, for those businesses planning to utilise the Job Retention Bonus, the bonus was having an effect on any of the imminent employment plans of businesses. The results are now here!

The resounding answer was no, with 76% of responses confirming that use of the Job Retention Bonus would have no effect on the imminent employment plans of businesses. The remaining 24% stated that the Job Retention Bonus would result in a reduced level of immediate redundancies.

The one-off payment of £1,000 per eligible employee was announced within Rishi Sunak's Summer Economic Statement, and was introduced with the aim of encouraging businesses to take employees off furlough, once the Coronavirus Job Retention Scheme (CJRS) closes at the end of October, and to get them back into work. Guidance on the Job Retention Bonus can be found [here](#), and it has been confirmed that more detailed information will be published in September 2020.

Back to [Contents](#)

New Quick Poll: Process changes due to eligibility criteria for the Job Retention Bonus

28 August 2020

In the final of a series of [Quick Poll](#) questions that ask about the Job Retention Bonus, the CIPP's Policy and Research team wanted to establish whether or not businesses have had to alter their processes in any way to ensure they meet the eligibility criteria for the Job Retention Bonus.

HMRC has made it clear that, in order to qualify for the Job Retention Bonus, businesses must ensure that all employee records are up-to-date and accurate, with particular emphasis on the correct employee details and wages

being reported to HMRC via Full Payment Submissions (FPS). The [guidance page](#) on the bonus also makes reference to the fact that employers should check that all claims made under the Coronavirus Job Retention Scheme (CJRS) have been submitted correctly, with any amendments being reported to HMRC.

The [Quick Poll](#) sits within the CIPP's News Online page, and will take less than a minute to respond to. We know how busy you all are, so we really appreciate the feedback that we receive. Thank you in advance for taking the time to answer the latest [Quick Poll](#).

[Back to Contents](#)

Individuals self-isolating in high risk areas to receive government payment

28 August 2020

The Department of Health and Social Care has issued a [press release](#) to confirm that people who are on low incomes, that are required to self isolate and live in areas with high rates of COVID-19, will be entitled to a form of payment under a new scheme.

The Health Secretary, Matt Hancock, confirmed that the scheme will start on Tuesday 1 September, and will begin initially in Blackburn with Darwen, Pendle and Oldham. Eligible individuals who test positive for coronavirus will receive £130 for a ten-day period of self-isolation, and other members of the household, required to self-isolate for 14 days will collect a payment of £182. Non-household contacts who are advised to self-isolate via NHS Test and Trace will also be entitled to the payment of up to a maximum of £182, which can be amended to fit whatever time period they must self-isolate for.

The scheme has been designed to help those who are unable to work from home while they are self-isolating, either because they have tested positive for coronavirus, or from living in the same household or coming into contact with, someone else who has tested positive. The payments will be available to those who are currently receiving either Working Tax Credit or Universal Credit.

Matt Hancock said:

"The British public have already sacrificed a great deal to help slow the spread of the virus. Self-isolating if you have tested positive for COVID-19, or have come into contact with someone who has, remains vital to keeping on top of local outbreaks.

This new payment scheme will help people on low incomes and who are unable to work from home to continue playing their part in the national fight against this virus."

Individuals will receive payment within 48 hours of them providing the required evidence. They will be asked to provide a notification from NHS Test and Trace, along with a bank statement. The local authority has the ability to check the NHS Test and Trace system for clarification that the individual has been instructed to self-isolate, should they be unable to provide this information. The local authority will ensure that fraud is prevented by implementing certain checks, and compliance will be ensured through welfare check-ins, phone calls and employment checks.

If the scheme is a success in Blackburn with Darwen, Pendle and Oldham then it will be used in other areas where there are high levels of coronavirus cases. In consideration of how successful the scheme is, how effectively vulnerable people have been reached and to what extent it has helped reduce transmission of the virus in these areas, will be assessed.

The additional payment will not impact any other benefits that an individual may receive. In order to receive the funding, individuals must:

- Have tested positive for COVID-19 or received a notification from NHS Test and Trace instructing them to self-isolate
- Have agreed to comply with the notification from NHS Test and Trace, and provided contact details to the local authority
- Be employed or self-employed. Those who are employed will be required to provide proof of employment, and those who are self-employed will need to show evidence of trading income and that their business delivers services which the local authority agrees that they are unable to provide without social contact

- Be unable to work from home, which will mean that they lose income as a result of self-isolating
- Be in receipt of Working Tax Credit or Universal Credit

Back to [Contents](#)

An update on the Eat Out to Help Out scheme

9 September 2020

Although the Eat Out to Help Out scheme closed on 31 August 2020, HMRC is reminding businesses that they have until the end of September 2020 to claim for the days on which they offered discounts to diners.

Claims are submitted [online](#), and payment will be made within five working days.

Some restaurants have decided to extend the scheme to September but will not receive any money back from the government as they did for Mondays – Wednesdays throughout August.

Recent figures highlight the fact that the scheme resulted in a significant increase in restaurant bookings and grew in popularity each week. As at midnight on 31 August 2020, over 100 million meals had been eaten under the scheme. 84,700 establishments signed up to the scheme, making a total of 130,000 claims, equalling £522 million, which will have worked to protect jobs. The rationale behind the scheme was to influence people to get out and to spend money, in a bid to kickstart the economy after the turmoil caused by coronavirus.

Back to [Contents](#)

Hands. Face. Space

11 September 2020

A new campaign has been launched to demonstrate the importance of taking some basic steps to protect against the spread of Coronavirus.

The science based public information campaign is to be launched ahead of winter in a bid to highlight how everyone can play their part in stopping the spread of the virus by building in some measures to their daily activity and remembering to wash their hands, cover their face and make space.

As part of this campaign, a new [video](#) has been released to show exactly how coronavirus spreads indoors. With people expected to spend more time inside during the winter, the film – produced with the help of scientific experts – encourages the public to follow simple steps to reduce the risk of infection.

The film reflects how coronavirus spreads through droplets that come out of our nose and mouth. This is a powerful reminder to the public of the importance of remaining aware of their surroundings and following the guidance.

Chief Medical Officer Professor Chris Whitty said:

“As we approach winter and inevitably spend more time indoors, we need the public to keep following this important advice to control the spread of the virus.”

‘Hands. Face. Space’ emphasises important elements of the guidance we want everybody to remember: wash your hands regularly, use a face covering when social distancing is not possible and try to keep your distance from those not in your household.

Following these simple steps could make a significant difference in reducing the transmission of COVID-19 and help protect you and your friends, colleagues and family from the virus.”

The compelling evidence combined with expert recommendations around ‘Hands. Face. Space’ includes:

Washing your hands

While coronavirus is not likely to survive for long periods of time on outdoor surfaces in sunlight, it can live for more than 24 hours in indoor environments. Washing your hands with soap and water for at least 20 seconds, or using hand sanitizer, regularly throughout the day will reduce the risk of catching or passing on the virus.

Covering your face

Coronavirus is carried in the air by tiny respiratory droplets that carry the virus. Larger droplets can land on other people or on surfaces they touch while smaller droplets, called aerosols, can stay in the air indoors for at least 5 minutes, and often much longer if there is no ventilation. Face coverings reduce the dispersion of these droplets, meaning if you're carrying the virus you're less likely to spread it when you exhale.

Making space

Transmission of the virus is most likely to happen within 2 metres, with risk increasing exponentially at shorter distances. While keeping this exact distance isn't always possible, remaining mindful of surroundings and continuing to make space has a powerful impact when it comes to containing the spread.

For [full details](#) of this public information campaign visit [gov.uk](#).

Back to [Contents](#)

Working from home? How helpful is your town or city?

11 September 2020

At the height of the Covid-19 lockdown 86% of workers were reported to have shifted to homeworking.

Recent research from [InstantPrint](#) has resulted in the publication of league tables to show which towns and cities across the UK were the best (or worst) for accommodating home working.

With a combination of desk research and national survey data [InstantPrint](#) ranked major cities in the UK on their working from home merits, including information on:

- Average internet download speed
- 4G signal strength
- Average property size
- Average property price
- Average monthly rent
- Average cost of living

The top three '[best of the best](#)' are:

Belfast

The undisputed champion, Northern Ireland's capital came out on top. With an excellent average internet download speed of 64.1mbps, workers in Belfast are unlikely to experience a choppy connection on their next video call.

Birmingham

The UK's 'second city' also qualifies as the second-best city in the country for working from home. Blessed with top-notch internet download speeds, Birmingham's 24.1mbps 4G coverage also ranks amongst the highest in the UK.

Nottingham

Nottingham slots in at third place with 98 points thanks to a relatively low average living cost of £890 and an average internet download speed of 62mbps.

The top three in the 'more challenging cities' are London, Cardiff and Sheffield

To read the full findings of the InstantPrint research visit the [blog page](#) of their website.

Additional reason for payment of SSP – self-isolation prior to surgery

14 September 2020

HMRC has updated [guidance](#) on the payment of Statutory Sick Pay (SSP) to confirm that it has now been extended to patients who are told that they must self-isolate prior to surgery, by a doctor or healthcare professional, and are unable to work as a result.

SSP will be payable from day one where a period of absence is four days or more. This is in line with payment of SSP to those who are sick or self-isolating due to coronavirus. If an individual is advised to self-isolate for three days prior to surgery, and cannot attend work on the day of the surgery, then they would also be eligible for SSP.

It is the intention that this will support people in adhering to both clinical and public health advice, as it will deliver financial support in the period that they are self-isolating and unable to work. Other SSP eligibility criteria still apply.

[Back to Contents](#)

Local lockdown guidance – SSP for shielding

14 September 2020

As [guidance](#) relating to the payment of Statutory Sick Pay (SSP) for individuals that are shielding maintains that, although payment for this has been paused on a national level, it is still payable for those who are shielding in an area where local lockdown has been imposed, the CIPP wanted to alert members to [guidance](#) that confirms which areas have been placed in local lockdown, and the dates that it was in place for.

The advice is that if someone who is shielding is unable to work from home, or at a location outside of the lockdown area then they may be entitled to SSP from their employer, due to the fact that they cannot work because they are shielding.

The page '[Local restrictions: areas with an outbreak of coronavirus \(COVID-19\)](#)' will help payroll professionals in establishing if SSP is payable to certain employees in certain areas, and the dates that it can be paid for. Payment of SSP for shielding on a national level was paused from 1 August 2020, so payroll teams need to be aware of this, and be particularly cautious when paying SSP for shielding after this date.

[Back to Contents](#)

Boris Johnson announces new restrictions for England

23 September 2020

Prime Minister, Boris Johnson, has confirmed that several new restrictions will be implemented in England, in an attempt to curb the spread of coronavirus, as the number of cases has increased dramatically over the past few weeks.

In his [statement](#), he confirmed that any office workers who are able to work from home should do so, but that those working in key public services or in roles where homeworking is not an option, such as construction or retail, people are still able to attend their workplaces.

In addition to this, from Thursday 24 September, all pubs, bars and restaurants must operate table-service only, with the exception of take-aways. All hospitality, including pubs, bars and restaurants must close at ten pm. This will also be applicable to take-aways but deliveries can continue after that point.

There will be more scenarios in which face coverings must be worn, so staff in retail must wear masks in addition to the existing requirement on shoppers, all users of taxis and private hire vehicles must wear a mask, and all staff and customers in indoor hospitality must wear one, unless they are seated at a table to eat and drink.

Additionally, [Covid-secure guidelines](#) will become legal obligations, meaning that businesses can be fined and potentially made to close should they breach the rules. A fine of £10,000 will be issued for those who are meant to be self-isolating but do not. The penalty for the first instance of failing to wear a mask or breaking the rule of six will be increased to £200.

Further restrictions are as follows:

- From Monday 28 September, the maximum number of people able to attend wedding ceremonies and receptions will be 15, but 30 will still be able to attend a funeral
- The rule of six is extended to all adult indoor team sports
- It was intended that business conferences, exhibitions and large sporting events could reopen from 1 October, but this will not go ahead as planned

Mr. Johnson confirmed that schools, colleges and universities will remain open, and that those previously instructed to shield, do not need to shield, unless they are in an area of local lockdown.

Back to [Contents](#)

Rishi Sunak unveils Winter Economy Plan

25 September 2020

The Chancellor of the Exchequer spoke today in Parliament to confirm what the Government's action plan in relation to jobs is, over what will inevitably be a challenging Winter, due to the imminent threat of a 'second wave' of coronavirus.

Rishi Sunak explained that the Government's plans have changed significantly since March, when the CJRS was announced, and this is to adapt to the changing effect that coronavirus has had on both our lives and the economy. He stated:

"Our approach to the next phase of support must be different to that which came before.

The primary goal of our economic policy remains unchanged - to support people's jobs - but the way we achieve that must evolve."

Job Support Scheme

As widely anticipated, the decision to close the Coronavirus Job Retention Scheme (CJRS) at the end of October 2020 remains unchanged, but, for a period of six months, from 1 November 2020, this will be replaced by the Job Support Scheme (JSS). The intention behind designing the new scheme is to protect viable jobs within organisations who are seeing a drop in demand due to the outbreak of coronavirus.

The main principles of the scheme are as follows:

- In order to support only viable jobs, to be eligible for the scheme, employees must be working at least a third of their usual hours. Employers must pay for those hours worked
- For hours not worked, the government and the employer will each pay one third of the employee's equivalent salary
- The level of the grant from the government will be calculated on the basis of the employee's standard salary, but capped at £697.92 per month
- The Job Support Scheme is available to many organisations in the UK, and there is no requirement for them to have previously used the CJRS to be deemed eligible
- The scheme is aimed at only businesses that need it the most – all small and medium-sized firms will be eligible, but larger companies can only claim if their turnover has fallen by a third
- Businesses can utilise both the JSS and the Jobs Retention Bonus (JRB) as they have been designed to sit alongside one another

Self-Employment Income Support Scheme

The Government has also confirmed that it will continue to support the self-employed by extending the Self-Employment Income Support Scheme (SEISS).

An additional grant will be given to those currently eligible for SEISS, and are continuing to actively trade, but are seeing less demand due to coronavirus. The first lump sum will relate to November 2020 – January 2021, and will be worth 20% of average monthly profits, up to a maximum of £1,875.

A fourth grant will be made available but will be tailored to respond to the ever-changing situation with coronavirus and will cover the period from February 2021 – April 2021.

Additional measures

Several additional measures were announced in order to help the UK return from the economic turbulence created by coronavirus, and include:

- Pay as You Grow flexible repayment system – This will allow those businesses who took out a Bounce Back Loan a longer period in which to repay their loans. The length of the loan will be extended from six years to ten. Interest-only periods and payment holidays will also be offered to help those businesses that may struggle to repay
- Coronavirus Business Interruption Loan lenders are able to extend the length of loans from a maximum of six years, to ten, to help businesses repay their loans
- Temporary VAT cut extended – Businesses in the tourism and hospitality sectors will see the temporary 15% VAT cut extended until the end of March 2021, as they are the sectors most impacted by coronavirus
- New Payment Scheme – Businesses who deferred their VAT bills are being given the option to repay in smaller instalments. As opposed to paying a lump sum at the end of March 2020, they will be able to make 11 smaller interest-free payments in the financial year 2021-22
- Self-assessment taxpayers will be given a separate additional 12-month extension from HMRC on the “Time to Pay” facility. This means that payments deferred from July 2020, and any due in January 2021, will now not be payable until January 2022

The plan can be read in full [here](#).

CIPP comment

Whilst further information has been promised, we have been in touch with HMRC already with a growing list of questions – if you have any more questions or, indeed, any comments on today’s announcements, please contact the Policy team at policy@cipp.org.uk.

Back to [Contents](#)

HMRC issues Job Support Scheme factsheet

25 September 2020

Chancellor, Rishi Sunak, announced a new support scheme that will be implemented as the Coronavirus Job Retention Scheme (CJRS) closes at the end of October.

The Job Support Scheme (JSS) has been initiated to help protect viable jobs in businesses who are facing lower demand over the coming winter months due to Covid-19. The intent is to help their employees remain in employment, and to reduce the amount of possible redundancies due to the current pandemic. Employers will be expected to continue to pay employees for their time worked, however the cost of hours not worked will be split between the employer and the Government (via the JSS) and the employee (via a wage reduction) resulting in the employee being kept in employment.

Those employers who utilise the JSS will also be able to claim the Job Retention Bonus if they meet the eligibility criteria.

As the CJRS closes, the JSS will open on 1 November 2020 and will run for six months, closing in April 2021. HMRC has advised that further guidance will be published shortly, however, they have advised some key details in the form of a [Factsheet](#), which includes:

Who is eligible?

Employers

- All employers with a UK bank account and UK PAYE schemes can claim the grant
- The employer does not have to have used the CJRS to be eligible to claim
- Large businesses will have to meet a financial assessment test, so the scheme is only available to those whose turnover is lower now than before, due to experiencing difficulties caused by Covid-19. There will be no financial assessment test for Small and Medium Enterprises (SMEs)
- The expectation is that large employers using the JSS will not be making capital distributions, such as dividend payments or share buybacks, whilst accessing the grant. Further details will be set out in guidance

Employees

- Employees must be on an employer's PAYE payroll on or before 23 September 2020. This means a Real Time Information (RTI) submission notifying payment to that employee to HMRC must have been made on or before 23 September 2020
- To support viable jobs, for the first three months of the scheme the employee must work at least 33% of their usual hours. After three months, the Government will consider whether to increase this minimum hours threshold
- Employees will be able to cycle on and off the scheme and do not have to be working the same pattern each month, but each short time working arrangement must cover a minimum period of seven days

What does the grant cover?

- For every hour not worked by the employee, both the Government and employer will pay a third each of the usual hourly wage for that employee. The Government contribution will be capped at £697.92 a month
- Grant payments will be made in arrears, reimbursing the employer for the Government's contribution. The grant will not cover Class 1 employer NICs or pension contributions, although these contributions will remain payable by the employer
- "Usual wages" calculations will follow a similar methodology as for the CJRS. Full details will be set out in guidance shortly. Employees who have previously been furloughed will have their underlying usual pay and/or hours used to calculate usual wages, not the amount they were paid whilst on furlough
- Employers must pay employees their contracted wages for hours worked, and the Government and employer contributions for hours not worked. The expectation is that employers cannot top up their employees' wages above the two-thirds contribution to hours not worked at their own expense

What does it mean to be on reduced hours?

- The employee must be working at least 33% of their usual hours
- For the time worked, employees must be paid their normal contracted wage
- For time not worked, the employee will be paid up to two-thirds of their usual wage
- Employees cannot be made redundant or put on notice of redundancy during the period within which their employer is claiming the grant for that employee

How can I claim?

- The scheme will be open from 1 November 2020 to the end of April 2021. Employers will be able to make a claim online through Gov.uk from December 2020. They will be paid monthly
- Grants will be payable in arrears meaning that a claim can only be submitted in respect of a given pay period, after payment to the employee has been made and that payment has been reported to HMRC via an RTI return

HMRC checks

- 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. Grants can only be used as reimbursement for wage costs actually incurred
- Employers must agree the new short time working arrangements with their staff, make any changes to the employment contract by agreement, and notify the employee in writing. This agreement must be made available to HMRC on request

- The intention is that employees will be informed by HMRC directly of full details of the claim
-

Included in the Factsheet, HMRC provide a detailed example, along with a table which shows percentages in relation to the government funding, based on hours that have been worked.

Hours Employee Worked	33%	40%	50%	60%	70%
Hours Employee Not Working	67%	60%	50%	40%	30%
Employee Earnings (% of normal)	78%	80%	83%	87%	90%
Gov't Grant (% of normal wages)	22%	20%	17%	13%	10%
Employer Cost (% normal wages)	55%	60%	67%	73%	80%

Back to [Contents](#)

Factsheet on the extended SEISS published

28 September 2020

In addition to the announcement of the Job Support Scheme (JSS), Rishi Sunak also announced that extended support would be available to the self-employed.

In recognition of the impact COVID-19 has had on the self-employed, the Self-Employed Income Support Scheme (SEISS) provides financial support to those effected during this troublesome period, therefore the extension of the SEISS is welcomed.

The extended support will be limited to those already eligible for the SEISS scheme and are actively continuing to trade but are facing reduced demands due to COVID-19.

To be eligible to the scheme, all self-employed individuals, including members of partnerships, must meet the below criteria:

- Currently be eligible for the SEISS (although they do not have to have claimed the previous grants)
- Declare that they are currently actively trading and intend to continue to trade
- Declare that they are impacted by decreased demand due to COVID-19 in the qualifying period. The qualifying period for the first grant is between 1 November and the date of claim

The extension will provide two grants and will last for six months, from November 2020 to April 2021. As with the previous SEISS grants, the extended grants will be paid in two lump sum instalments, each covering a three-month period. The first grant will cover a three-month period from the start of November until the end of January. The taxable grant will cover 20% of the average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and will be capped at £1,875 in total.

The second grant will then cover a three-month period from the start of February until the end of April, however there are no details as yet as to how much this will be, the level of the second grant will be set in due course. HMRC has advised that they will provide full details about claiming and applications in guidance on gov.uk in due course. As with the [factsheet produced for the JSS](#), HMRC has also produced a basic [factsheet on the extended SEISS](#).

Back to [Contents](#)

Deadline for applications to The Future Fund extended to 30 November 2020

28 September 2020

The Future Fund provides government loans to UK-based companies ranging from £125,000 to £5 million, subject to at least equal match funding from private investors.

As announced by the Chancellor on 20 April, the Future Fund issues convertible loans to innovative UK companies with good prospective, that habitually rely on equity investment and are currently disturbed by Covid-19. The scheme will assist these companies through the current period of economic disruption and also through the recovery, so that they are able to continue their growth trajectory and reach their full economic potential. The Scheme is designed by the Government and delivered by the British Business Bank. Details on how to apply can be found [here](#).

The scheme was due to close to new applicants on 30 September 2020; however the government has announced an extension to the Future Fund and it will now close for new applications on Monday 30 November 2020. It should be noted that only one application per Investee Company can be accepted by the Future Fund.

A business will be eligible if:

- It is UK-incorporated - if a business is part of a corporate group, only the parent company is eligible
- It has raised at least £250,000 in equity investment from third-party investors in the last 5 years
- None of its shares are traded on a regulated market, multilateral trading facility or other listing venue
- It was incorporated on or before 31 December 2019
- At least one of the following is true:
 - Half or more employees are UK-based
 - Half or more revenues are from UK sales

Businesses can [check eligibility](#) here.

Back to [Contents](#)

New coronavirus fines for employers

29 September 2020

The [Health Protection \(Coronavirus, Restrictions\) \(Self-Isolation\) \(England\) Regulations 2020](#), which came into force on 28 September 2020, introduced a new fine for employers who knowingly allowing employees who must self-isolate, to work.

Fines, starting from £1,000 and potentially up to £10,000 for repeat offenders, can be issued to any employer that allows a worker who has tested positive for coronavirus, or who lives with someone that has tested positive, to work, unless they can work from home. This is only in scenarios where the employer knew the employee's situation, but means that it is an offence for an employer to let a worker attend any place other than the location in which they should be self-isolating.

Workers are also required, by law, to advise their employer if they should be self-isolating. It is now a legal duty for those who test positive for coronavirus, or who are notified to self-isolate via the NHS Track and Trace system, to self-isolate, and separate fines apply for those individuals who flout the rules.

Health Secretary, Matt Hancock, confirmed that the Government would:

“Crack down on employers that [tried] to prevent staff from following the rules.”

Back to [Contents](#)

The FCA updates guidance on identifying key workers

30 September 2020

Following on from Prime Minister, Boris Johnson's instruction that those who can work from home, should, in the latest of a raft of lockdown restrictions imposed to curb the spread of the 'second wave' of coronavirus, the Financial Conduct Authority (FCA) has updated its [guidance](#) on identifying key workers.

The advice is that office workers who can work effectively from home should do so over the Winter months, but that those who cannot work from home should attend their place of work. The financial services industry has broadly continued operating throughout the pandemic, with a mix of homeworking and some individuals working in locations such as branches and call centres.

The FCA highlights the fact that it is imperative for financial services firms to continue with the identification and monitoring of key workers, in order to ensure that they respond effectively should there be any further lockdowns, on either a local or national level. Key financial workers at dual-regulated, FCA solo-regulated firms, PSR-regulated firms, or operators of financial market infrastructure, carry out roles which are integral to the firm being able to carry on providing essential daily financial services to consumers, or to ensure the continued functioning of markets.

The FCA advises that firms are in the best position to determine which staff are essential for this provision of financial services. In order to establish which individuals are key workers, firms should first clarify which activities, services or operations, would result in the disruption of essential services to the real economy or financial stability, if they were interrupted. Following that, firms should then decide which individuals are required in order to support these functions. Any critical outsource partners who are critical to the continued provision of services should also be identified, even where they are not necessarily financial services firms.

The recommendation is that the Chief Executive Senior Management should be responsible for putting processes in place that mean that only roles meeting the above definition are designated, and that in any businesses who do not have a Chief Executive Senior Manager, the most relevant member of the senior management team adopts this responsibility.

Roles that may be considered as providing essential services include:

- Those essential in the overall management of the company
- Those essential in the running of online services and processing
- Those required for the running of branches, and providing essential customer services, such as dealing with consumer queries (including via call centres), client money and assets, and those maintaining access to cash and other payment services
- Those essential to the functioning of payments processing, and of cash distribution services
- Those required in facilitating corporate and retail lending, and administering the repayment of debt
- Those essential in both the processing of claims, and renewal of insurance
- Individuals who are essential in the operation of trading venues, and other critical elements of market infrastructure
- Risk management, compliance, audit and other functions that are required to ensure that the firm meets both the needs of its customers, and its regulatory obligations
- Any person who provides essential support which allows the functioning of the previously listed roles, such as finance and IT staff

Firms should explore the possibility of providing a letter to employees, including new joiners, who are classified as key workers, in case they need to provide evidence of this at any point. The FCA instructs that the letter should include the sentence, "The individual has been designated as a key worker in relation to their employment by [firm name]". The letter should also be signed by an individual who has the appropriate authority.

Back to [Contents](#)

Reminder of the changes to the Self-Employment Income Support Scheme eligibility criteria for new parents

2 October 2020

The Government recently announced an extension to the SEISS grant scheme and further details will be provided in due course, however, the second SEISS grant is still available for those who are eligible and if they wish to claim they must do so by 19 October 2020. Information about making a claim for the second SEISS grant can be found [here](#).

In the summer of 2020, amendments were made to the SEISS eligibility criteria which meant that self-employed individuals who are parents and took time out of their trade to care for a new child may now be eligible to claim SEISS.

Parents who believe they may now be entitled to claim for SEISS grants are reminded that they have until 5 October to ask HMRC to verify their information and confirm whether they are eligible to claim. Parents can find out more about the eligibility criteria for making a SEISS claim [here](#) and there is also an [online form](#) they can use to ask HMRC to verify their entitlement to the grant.

The [online form](#) for parents will only be available until 5 October 2020 and it cannot be used after that date. Please be aware that HMRC must complete verification checks for new parents before they can make a claim, and if they miss the 5 October deadline there is a risk that HMRC may not be able to complete in time for an application to be made before 19 October.

If a new parent thinks they may be eligible to claim a grant, but they miss the 5 October deadline they should contact HMRC to discuss what they need to do next. Applications for the second SEISS grant must be made by 19 October.

[Back to Contents](#)

Bolton businesses now eligible for lockdown grants

5 October 2020

Businesses affected by local lockdown restrictions in Bolton are now eligible for grants of up to £1,500 each.

In September, [the government announced](#) further funding for local authorities to assist businesses who were required to close as part of the localised lockdowns which were imposed to attempt to control the spread of COVID-19.

Some businesses in Bolton have now been closed for three weeks, which will now make them eligible for this support. Those that are eligible will have a period of several weeks in which they can claim the money that they are entitled to for the three weeks they were in lockdown.

This funding will allow Bolton Council to dispense grants to businesses that fit the following criteria:

- Eligible business properties with rateable values of less than £51,000 will receive a grant of £1,000
- Eligible business properties with rateable values of £51,000 and over will receive a grant of £1,500
- Eligible businesses with more than one affected property will receive a grant in respect of each property

Business Minister Paul Scully said:

"We understand how difficult it is for businesses required to close as part of localised lockdowns, but we must take action to reduce the spread of COVID-19 while minimising damage to lives and livelihoods.

We have put in place a wide-ranging package of support to help struggling businesses and today's announcement means Bolton Council can start distributing cash grants to those who need it, helping them through this challenging time."

In addition to this fund, Bolton Council will receive an additional 5% of funding to run a local discretionary grant fund which could be used to support businesses that do not pay business rates and other severely impacted businesses that are prioritised locally.

As with the grants to business-rate paying businesses, this additional top-up grant will be paid every three weeks to businesses where closures persist.

From Saturday 3 October, Bolton will be brought in line with measures in place throughout the rest of Greater Manchester as case rates have fallen.

This will mean that hospitality businesses including bars, pubs, cafes, restaurants can resume table service subject to early 10pm closure and the [rule of six](#) restrictions, and other businesses such as bowling alleys, indoor skating rinks, casinos, soft play and conference centres and exhibit halls will also be able to reopen.

[Back to Contents](#)

Self-Employed apply online to HMRC to spread the cost

5 October 2020

Self-Assessment individuals can apply online for additional support to help spread the cost of their tax bill into monthly payments from 1 October 2020 without the need to call HMRC.

The online payment plan service can already be used to set up instalment arrangements for paying tax liabilities of up to £10,000, however, from 1 October 2020, HMRC has increased the threshold to £30,000 for Self-Assessment individuals, in the hope to help ease any potential financial burden they may be experiencing due to the current coronavirus pandemic.

The increased self-serve Time to Pay limit of £30,000 comes following the Chancellor of the Exchequer's announcement on 24 September to increase support for businesses and individuals through the uncertain months ahead.

As part of his speech, the Chancellor announced that Self-Assessment individuals could pay their deferred payment on account bill from July 2020, any outstanding tax owed for 2019 to 2020 and their first payment on account bill for this current tax year in monthly instalments, up to 12 months, via this self-serve tool. Individuals who need longer than 12 months to settle their tax liabilities are invited to contact HMRC in the usual way.

Financial Secretary to the Treasury, Jesse Norman, said:

"We are supporting jobs by giving more breathing space to up to 11 million Self-Assessment taxpayers when managing their tax affairs.

Enhancing Time to Pay should ease the financial burdens and protect the livelihoods of these taxpayers, as they navigate the months ahead."

There are more than 11 million individuals who complete a Self-Assessment tax return each year. Once they have completed their tax return for the 2019 to 2020 tax year, those who have payments to make may have the option of using the online self-serve Time to Pay facility through GOV.UK to set up a direct debit and pay any tax that is owed in monthly instalments, up to a 12-month period.

HMRC have estimated that around 95% of Self-Assessment individuals who are due to make payments on 31 January 2021 could qualify to implement a Time to Pay arrangement using the self-serve Time to Pay facility online, without needing to speak to an HMRC adviser.

Those who wish to set up their own self-serve Time to Pay arrangements must meet the following requirements:

- They need to have no outstanding tax returns, no other tax debt and no other HMRC payment plans in place
- The debt needs to be between £32 and £30,000
- The payment plan will need to be set up no later than 60 days after the due date of the debt

If using self-serve Time to Pay, individuals will be required to pay any interest on the tax owed and it will be applied to any outstanding balance from 1 February 2021.

As ever, please be aware of scams claiming to be from HMRC, offering to help you set up payment plans to pay any tax owed. These scams are trying to gather your details to steal your money. Check GOV.UK for information on [how to recognise genuine HMRC contact](#). Please send any emails that you believe to be a scam to phishing@hmrc.gov.uk

Back to [Contents](#)

Guidance published on the Job Retention Bonus

5 October 2020

The [Job Retention Bonus \(JRB\)](#) is a £1,000 one-off taxable payment to employers, for each eligible employee that had been furloughed successfully at any time from 1 March 2020 to 31 October 2020 and kept that employee in meaningful continuous employment until 31 January 2021. HMRC has now issued detailed [guidance](#) on this scheme.

Eligible employers will be able to claim the bonus payment between 15 February 2021 and 31 March 2021 and further details on how you can claim via an online submission will be published by the end of January 2021. It is important to note, that any monies claimed via the JRB do not have to be repaid to the employee whom you claimed for.

Who can claim?

Employers can claim the bonus if they are an employer who has furloughed employees and made an eligible claim for them through the Coronavirus Job Retention Scheme (CJRS). The employee must have been eligible for the CJRS grant to be eligible for the bonus payments and employers are also able to make a claim for the same employee through the Job Support Scheme (JSS), meaning that they will run along side one another.

Employers will be unable to claim the bonus for any employees that have not been paid using the CJRS grant because the grants have been repaid, regardless of the reason why an employer repaid the grant amounts.

Which employees can be claimed for?

Employees that can be claimed for:

- Have had an eligible claim for under the Coronavirus Job Retention Scheme for them
- Has been in continuous employment from the end of the claim period of the last Coronavirus Job Retention Scheme claim for them, until 31 January 2021
- Is not serving a contractual or statutory notice period on 31 January 2021 (this does also include people serving notice of retirement)
- Was paid sufficient taxable pay in each relevant tax month from November through to end of January and enough to meet the JRB [minimum income threshold](#)

If HMRC are still checking a CJRS claims, you can still claim the JRB, however, payments may be delayed until all checks are completed.

HMRC will not pay the bonus if an employer made an incorrect CJRS claim and the employee was not eligible for the CJRS.

Employees who have been transferred under TUPE or due to a change in ownership

Employers may be eligible to claim the JRB for employees of a previous business which were transferred if:

- TUPE rules applied
- PAYE business 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

In order to claim the JRB for employees that have been transferred, employers must have [furloughed and successfully claimed for them under the CJRS](#), as their new employer. The employees must also meet all the relevant eligibility criteria for the JRB.

This will mean that employers will not be able to claim the JRB for any employees who are transferred after the CJRS closes on 31 October 2020.

Claiming for an individual who is not an employee

Claims to the JRS for individuals who are not employees, such as office holders or agency workers can be made, as long as grant claimed under the [Coronavirus Job Retention Scheme](#) has been made and the other JRB eligibility criteria are met.

To be eligible for the bonus employers must make sure that the employees being claimed for have been paid at least the minimum income threshold.

To meet the minimum income threshold, employers must pay the employee a total of at least £1,560 (gross) throughout the tax months:

- 6 November to 5 December 2020
- 6 December 2020 to 5 January 2021

- 6 January to 5 February 2021

Employers must pay their employee at least one payment of taxable earnings (of any amount) in each of the relevant tax months.

The minimum income threshold criteria apply regardless of:

- How often an employee is paid
- Any circumstances that may have reduced an employee's pay in the relevant tax periods, such as being on statutory leave or unpaid leave

HMRC will check that employees have been paid at least the minimum income threshold by checking information that is submitted through Full Payment Submissions via Real Time Information (RTI).

Only payments recorded as [taxable pay](#) will count towards the minimum income threshold. Taxable pay is reported to HMRC as a single figure through Full Payment Submissions via Real Time Information (RTI). Examples of taxable pay and the minimum income threshold can be found [here](#)

Claims for the bonus cannot be made until 15 February 2021. HMRC has advised that this guidance will be updated by the end of January 2021 with details on how to access the online claim service on GOV.UK.

Before claims for the bonus can be made, employers will need to have reported all payments made to employees between 6 November 2020 and 5 February 2021 to HMRC through Full Payment Submissions via Real Time Information (RTI).

There are some steps employers need to take now to make sure that they are ready to claim.

Employers must:

- Still be enrolled for PAYE online
- Comply with PAYE obligations to file PAYE accurately and on time under Real Time Information (RTI) reporting for all employees between 6 April 2020 and 5 February 2021
- Keep payrolls up to date and make sure that the leaving date for any employee is reported before the end of the pay period they leave in
- Use the [irregular payment pattern indicator](#) in Real Time Information (RTI) for any employees not being paid regularly
- Comply with all requests from HMRC to provide any employee data for past CJRS claims

If an employer uses an agent who is authorised to do PAYE online for them, then they will be able to claim the Job Retention Bonus on their behalf. Details of how agents can claim the bonus will also be updated by the end of January 2021.

Claims to the JRB must be made by 31 March 2021 after which, the scheme will be closed, and no further claims will be accepted.

HMRC are urging employers that the first line of contact should be via the [HMRC digital assistant](#) and they should only [contact HMRC](#) if the help cannot be gained via this method.

Back to [Contents](#)

Self-isolation payments and fines

6 October 2020

It has been [confirmed](#) that, from 28 September 2020, individuals required to self-isolate could receive a payment of £500 if they are on lower incomes, and cannot work from home, which has resulted in a decrease to their income. Similarly, new fines were introduced, starting at £1,000, for anyone who breaks self-isolation rules.

The fines for breaching self-isolation rules are in alignment with the penalties associated with breaking quarantine following travel from another country and can increase to a maximum of £10,000 for those who persistently offend, and for the most flagrant offences. This includes the act of stopping others from self-isolating, and an example of this would be where an employer threatens staff who are self-isolating with redundancy if they do not attend work.

In order to ensure compliance with the rules, a number of measures will be put into place:

- NHS Test and Trace call handlers will make regular contact with anyone who is self-isolating, and will liaise with the Local Authorities and police in any suspicious cases
- Police resources will be used to check compliance in areas where the rate of coronavirus cases is high, and also in high-risk groups, based on local intelligence
- High-profile and extreme cases of non-compliance will be investigated, and prosecutions made, where applicable
- In scenarios where third parties have identified those who have tested positive, but are not self-isolating, action will be taken

A Test and Trace Support payment of £500 will be made to those individuals who are on lower incomes. Those who are in receipt of benefits in England, so approximately four million people, will be eligible for this payment, which was made available from 28 September 2020. It is hoped that Local Authorities will be able to set up these schemes quickly, so that they will be in place by 12 October 2020. Anyone who began self-isolation from 28 September 2020 will receive backdated payments once the scheme has been set up in their Local Authority.

Prime Minister, Boris Johnson, said:

“The best way we can fight this virus is by everyone following the rules and self-isolating if they’re at risk of passing on coronavirus. And so nobody underestimates just how important this is, new regulations will mean you are legally obliged to do so if you have the virus or have been asked to do so by NHS Test and Trace.

People who choose to ignore the rules will face significant fines. We need to do all we can to control the spread of this virus, to prevent the most vulnerable people from becoming infected, and to protect the NHS and save lives. And while most people are doing their absolute level best to comply with the rules, I don’t want to see a situation where people don’t feel they are financially able to self-isolate.

That’s why we’re also introducing a new £500 Test and Trace Support payment for those on low incomes who are required by NHS Test and Trace to remain at home to help stop the spread of the virus.”

Back to [Contents](#)

Government announces new Job Entry Targeted Support programme

6 October 2020

The Department for Work and Pensions (DWP) has issued a [press release](#) to provide details of the new Job Entry Targeted Support (JETS) programme, which is being launched to assist those individuals left jobless by the outbreak of coronavirus.

£238 million is being invested in the programme, which will be aimed at those who have been out of work for at least three months. Claimants will have the opportunity to access a flexible and tailored support programme which will aim to get them back into employment as quickly as possible.

A variety of providers will offer assistance, to include expert advice on how people can move into growing sectors, along with coaching on both CVs and interviews. An action plan will also be established with a dedicated, personal Work Coach, and peer support will be provided in addition to opportunities to boost their skills. 13,500 additional Work Coaches are being recruited, which will bring the total to 27,000 this financial year.

Therese Coffey, the Secretary of State for Work and Pensions, said:

“JETS will give recently unemployed people the helping hand they need to get back into work, boosting the prospects of more than a quarter of a million people across Britain.

We have provided unprecedented support for jobs during the pandemic, including through furlough and subsidising the incomes of the self-employed, doing all we can to protect peoples' livelihoods - but sadly not every job can be saved.

This scheme will help those left out of work as a result of Covid-19, and is one strand of our wider Plan for Jobs which will also support young people onto the jobs ladder through Kickstart, offer the training needed to pivot into new roles through our Sector Based Work Academy Programme and prepare people for getting back into work."

JETS is being implemented in several counties on 5 October 2020 and will be introduced in additional areas later in October. It will be launched in Scotland early next year.

The programme forms part of the Government's Plan for Jobs, which introduced the £2 billion Kickstart Scheme, designed to create new job opportunities for young people meeting certain criteria.

Sector based work programmes will improve the probability of jobseekers finding new employment, with a focus on assisting people in moving between industries, and locating work in those sectors that are currently growing and hiring.

A list of dates of when JETS will be launched, and where, has been provided:

5 October 2020

- Lincolnshire, Nottinghamshire and Rutland
- Staffordshire and Derbyshire
- Durham and Tees Valley
- North East Yorkshire and the Humber
- Northumberland, Tyne and Wear
- South Yorkshire
- West Yorkshire
- North West England
- Cheshire
- Cumbria and Lancashire
- Merseyside
- Avon, Somerset and Gloucestershire
- Berkshire, Buckinghamshire and Oxfordshire
- Devon and Cornwall
- Dorset, Wiltshire, Hampshire and Isle of Wight
- Surrey and Sussex
- North and Mid Wales
- South East Wales
- South West Wales
- South London
- West London

19 October 2020

- Birmingham and Solihull
- Central
- Black Country
- Leicestershire and Northamptonshire
- Lincolnshire, Nottinghamshire and Rutland
- Greater Manchester
- Mercia
- Staffordshire and Derbyshire
- Bedfordshire and Hertfordshire
- Berkshire, Buckinghamshire and Oxfordshire
- East Anglia

- Bedfordshire and Hertfordshire
- Essex
- Kent
- Surrey and Sussex
- Central London
- East London
- South London
- West London
- North London

26 October 2020

- East London
- North London
- South London

Back to [Contents](#)

Treasury Direction made in relation to the JRB

8 October 2020

On 2 October 2020, Chancellor, Rishi Sunak, made a [Treasury Direction](#) under Sections 71 and 76 of the Coronavirus Act. This was in order to establish the legal framework for the Job Retention Bonus (JRB). The Direction confirms that HMRC will be responsible for the payment and management of amounts that are given to businesses under the JRB, much as it was for the Coronavirus Job Retention Scheme (CJRS).

The Direction confirms that the JRB's purpose is to both enhance and consolidate the purpose of the CJRS. It also clarifies that any claims made under the CJRS can not be made after 30 November 2020, a fact which is clearly outlined within the various HMRC [guidance](#) pages on the topic.

The Direction provides information on qualifying employers and employees, and also confirms that the claim period will run from 15 February 2021 – 31 March 2021. This is the timeframe in which employers will be able to submit claims under the JRB. The Direction reiterates the fact that the payment is for a one-off amount of £1,000 per eligible employee.

Back to [Contents](#)

The protected pension age easement will expire on 1 November 2020

8 October 2020

Within HMRC's most recently published [Pension Schemes Newsletter](#), initially it was advised that there was no official end date for the protected pension age easement, which was extended until 1 November 2020. In an update to the newsletter, it has now been confirmed that no extension will be put in place, and the easement will expire on 1 November 2020.

The easement was implemented in response to the outbreak of coronavirus, and meant that anyone who had retired, but returned to work due to COVID-19, would retain their protected pension age, even in scenarios where they had been re-employed in the same job. The easement also meant that individuals in this situation would not be subject to an unauthorised payment charge.

Back to [Contents](#)

Job Support Scheme expanded to protect jobs and support businesses forced to close

9 October 2020

Chancellor of the Exchequer, Rishi Sunak has [confirmed](#) that the Government's Job Support Scheme (JSS) will be extended in order to protect jobs and to support businesses that are legally required to close down due to coronavirus restrictions.

The Government will pay two thirds of employees' salaries in order to protect jobs over what is expected to be a particularly harsh Winter. Local or national lockdowns could see certain businesses having to shut down, which is why the announcement has been made. It is hoped that this will protect jobs, and additionally, that it will allow businesses to reopen quickly once lockdown restrictions are eased.

Eligible businesses will receive grants of two thirds of each employees' salary, or 67%, up to a maximum cap of £2,100 per month. Employers will be asked to pay the associated on-costs, so the employer's National Insurance (NI) contributions, and pension contributions, but it is predicted that approximately half of all claims will not incur these costs, so employers will not be required to make any contribution at all in these scenarios.

Businesses are only able to claim the grant whilst subject to the restrictions, and employees have to be off work (on furlough) for a minimum of seven consecutive days.

The scheme will be open from 1 November 2020, and will run for a period of six months, but will be reviewed in January 2021. Payments will be made in arrears and made through a HMRC claims service, which it has been confirmed will be available from early December 2020.

Any firms that have been legally closed prior to 1 November 2020 will now be eligible for the Coronavirus Job Retention Scheme (CJRS).

The scheme is UK wide, and the UK Government has confirmed that it will work alongside the devolved administrations, ensuring that the scheme works effectively in all four nations.

Rishi Sunak said:

"Throughout the crisis the driving force of our economic policy has not changed.

I have always said that we will do whatever is necessary to protect jobs and livelihoods as the situation evolves.

The expansion of the Job Support Scheme will provide a safety net for businesses across the UK who are required to temporarily close their doors, giving them the right support at the right time."

The Government is also increasing the amount of grants paid to businesses in England that are shut due to local lockdowns from £1,500 per month, paid every three weeks, to a maximum of £3,000 per month, paid every two weeks. The smallest businesses can now claim £1,300 per month, medium sized businesses can claim £2,000 per month, and larger businesses can claim £3,000, all paid in two fortnightly instalments.

The devolved administrations in Scotland, Wales and Northern Ireland will also receive an additional £1.3 billion to their guaranteed funding for 2020-21, to help with the response to the outbreak of coronavirus.

Additional guidance on the extended JSS will be issued in due course.

Back to [Contents](#)

FAQs: The Job Support Scheme

12 October 2020

Following on from Chancellor Rishi Sunak's announcement on 24 September 2020 that the Government would be launching a new Job Support Scheme (JSS), to help support employers to keep employees in 'viable employment'

over the coming Winter months, the CIPP's Policy and research team has answered some of the most commonly asked questions on the topic, within the [JSS FAQs](#).

The information provided centres on what has been officially confirmed so far, but further guidance on the more intricate details of the scheme will be issued in due course. As guidance evolves, the [JSS FAQs](#) will be updated accordingly, and members will also be notified of any changes or additions via News Online.

CIPP comment

If there are any questions you would like to submit in relation to the JSS, please don't hesitate to contact the Policy and research team, at Policy@cipp.org.uk, and we can contact the relevant bodies to request an answer.

Back to [Contents](#)

Test and Trace self-isolation payments exempt from NI contributions

12 October 2020

HMRC has [confirmed](#) that payments made to individuals instructed to self-isolate by NHS Test and Trace will not be subject to employer or employee Class 1 National Insurance (NI) contributions. Employers will also not be required to pay Class 1A NI contributions in relation to the payments.

It was announced on 20 September 2020, that from 28 September 2020, individuals who are on low incomes and have tested positive for coronavirus, or have been advised by Test and Trace to self-isolate, would be entitled to a support payment equating to £500. This would be available in scenarios where employees cannot work from home and so would have lost income as a result of adhering to self-isolation guidelines. This applies to those who live in England, and who are receiving at least one of the following benefits:

- Universal Credit
- Working Tax Credits
- Income-related Employment and Support Allowance
- Income-based Jobseeker's Allowance
- Income Support
- Pension Credit
- Housing Benefit

Ordinarily, payments of this nature would be classed as earnings, and so would be liable to both employee and employer Class 1 NI contributions. As local authorities will be responsible for making the payments, they would have to consider this when making payments to eligible individuals, and employers would also need to ensure that they paid employer Class 1 NI contributions on the gross amount received. To avoid these administrative burdens for the one-off payment, a measure has been implemented to ensure that payments of this nature are not subject to NI contributions.

This measure will take effect from 22 October 2020.

Back to [Contents](#)

Prime Minister confirms three-tier approach to tackling coronavirus

13 October 2020

Prime Minister, Boris Johnson has confirmed that the Government's new plan of action for containing the spread of coronavirus will involve a three-tier approach, which will see cities categorised into one of three risk categories - medium, high or very high.

Certain businesses will be forced to close, including pubs, bars, betting shops, gyms, leisure centres and casinos, in the areas identified as being on the very high Covid-19 alert level. It is these businesses that will be able to access the extended Job Support Scheme (JSS), under which the Government is offering to pay staff for two-thirds of their usual salary, up to a maximum of £2,100 per month. The only region that is currently on the very high alert level is Liverpool City, and the new lockdown restrictions will need to be observed from Wednesday 14 October.

Areas that are already under additional local restrictions will automatically be placed into the high alert level, which means that any household mixing indoors is banned. The majority of areas in England will, however, be placed on the medium alert level, which means that they must abide by the current restrictions, such as the rule of six and the 10pm curfew for hospitality establishments.

It has been confirmed that all retail outlets, schools and universities can stay open.

[Back to Contents](#)

Applications for SEISS grant two to close on 19 October 2020

19 October 2020

The government confirmed, on 29 May 2020, that a second taxable grant would be available to eligible self-employed individuals under the Self-Employment Income Support Scheme (SEISS). The deadline for submitting claims for the second grant is rapidly approaching, on 19 October 2020, so those intending to use the scheme should be mindful of this.

The second taxable grant is equivalent to 70% of a self-employed individual's monthly trading profits, and will be paid out in one single lumpsum. This will be to cover three months' worth of profits and will be capped at a maximum of £6,570. It is available to eligible individuals where their businesses have been negatively impacted by coronavirus either on, or after, 14 July 2020.

Eligibility for the second grant is not reliant on the first grant, so individuals can receive the grant even if they didn't make a claim for the first one, however, the eligibility for the second grant remains unchanged [from the first](#).

It was [announced](#), within the Winter Economy Plan, delivered by Rishi Sunak, that there would also be an additional two grants provided to those currently eligible for the SEISS, who are continuing to trade but are dealing with reduced demand due to COVID-19. The third grant will cover the period from November 2020 – January 2021 and will be paid in one single instalment equivalent to 20% of average monthly trading profits, capped at a total of £1,875. The fourth grant will relate to February 2021 – April 2021 but HMRC has confirmed that it will review the level of this grant and provide further detail in due course.

Individuals can claim for the second grant online [here](#).

[Back to Contents](#)

CIPP Quick Poll results: 56% of businesses not intending to use the Job Support Scheme

21 October 2020

As the Coronavirus Job Retention Scheme (CJRS) closes at the end of October 2020, and the [Job Support Scheme](#) (JSS) is introduced from 1 November 2020, the CIPP's Policy and research team wanted to assess whether many businesses are intending to utilise the new scheme to support them through what will unfortunately inevitably be a difficult Winter.

The JSS offers a different level of support to the CJRS and aims to protect 'viable employment'. One of the key eligibility criteria means that employees will need to be working at least a third of their 'usual hours' to qualify for the scheme. The Government will then pay grants equating to a third of the amount relating to the 'usual hours' not

worked, up to a maximum of £697.92 per month, the employer is required to pay another third, and the employee will see a reduction in their pay of the remaining third.

This is not to be confused with the recently announced [extension to the JSS](#), which will be provided to those businesses forced to close due to local lockdown restrictions. In these scenarios, the Government will pay grants equivalent to two-thirds of employee wages, up to a cap of £2,100 per month, with no requirement for the member of staff to work any of their hours.

On the CIPP's News Online page, the team posted the question:

"Following on from announcements relating to the new Job Support Scheme, are you intending to use it, and if so, has this affected your imminent employment plans?"

The company is not intending to use the Job Support Scheme: 56%

No: 26%

Yes, this has reduced the number of imminent redundancies: 10%

The notification relating to the scheme was after the collective consultation deadline, so we are not using the scheme: 5%

I have not heard of the Job Support Scheme: 3%

The results of the Quick Poll seem to indicate that there is not much appetite for the JSS, with 56% of respondents confirming that their company has no plans to utilise the scheme. Businesses that are planning to claim under the JSS have stated that the introduction of the scheme has had no impact on their imminent employment plans, collecting 26% of responses. Conversely, 10% of those answering the Quick Poll declared that their company will be accessing the scheme, and that this has directly reduced the number of imminent redundancies that will be made.

5% of answers highlighted the fact that the announcement relating to the scheme came after the collective consultation deadline for businesses having to make over 100 redundancies. The Winter Economy Plan, which unveiled the new support scheme was delivered on 24 September, but the deadline for consultations would have been in mid-September. Additionally, 3% of those who responded to the poll admitted that they had not heard of the Job Support Scheme at all.

It will be interesting to see, once the CJRS closes, how many businesses do make use of the JSS, and also how many companies that are required to shut down make claims under the extended JSS. At the time of writing, we await further guidance on both the JSS and its extension, but as soon as anything is published, we will notify via News Online and social media.

Back to [Contents](#)

Job Retention Bonus factsheet

21 October 2020

Now that further detailed [guidance](#) has been issued relating to the Job Retention Bonus (JRB), the CIPP's Policy and research team has produced its latest [factsheet](#), which covers the scheme that is being implemented in order to encourage employers to take employees off furlough and return them to work.

The [factsheet](#) has been designed so that busy payroll professionals can review information on the bonus in one consolidated document, and will have the opportunity to print the sheet off to refer to as and when they require it.

The [factsheet](#) covers:

- What the JRB is
- Employer eligibility
- Employee eligibility
- The minimum income threshold
- The claims process
- Additional considerations

The minimum income threshold is a requirement meaning that employees must be paid at least £1,560 across the three relevant tax periods of 6 November 2020 - 5 December 2020, 6 December 2020 – 6 January 2021 and 6 January 2021 – 5 February 2021. The factsheet details what this can be made up of, and confirms that there are no rules around the apportionment of pay, as long as the minimum of £1,560 is paid, and that payment of some description is made in each of the tax periods.

Locate the factsheet in its entirety [here](#).

Back to [Contents](#)

Further support for businesses and workers announced by Rishi Sunak

23 October 2020

Chancellor of the Exchequer, Rishi Sunak, [unveiled](#) a series of additional measures designed to help both businesses and workers through the prolonged period of turbulence posed by coronavirus, as additional lockdown measures are implemented.

Speaking in Parliament, he said:

"I've always said that we must be ready to adapt our financial support as the situation evolves, and that is what we are doing today. These changes mean that our support will reach many more people and protect many more jobs

. I know that the introduction of further restrictions has left many people worried for themselves, their families and communities. I hope the government's stepped-up support can be part of the country pulling together in the coming months."

Further extension to the Job Support Scheme

Businesses which are allowed to remain open but that are still experiencing substantial difficulty, will be provided with additional support to enable them to keep staff on, avoiding redundancies.

The further extension to the Job Support Scheme (JSS), which is now being referred to as the 'Job Support Scheme – open' will mean that, as opposed to having to work 33% of their normal hours, employees will only be required to work a minimum of 20% of their usual working hours. In addition to this, employers will only have to pay for 5% of the amount for hours not worked, instead of the originally announced 33%.

The government will provide up to a maximum of 61.67% of wages for usual hours not worked, and this will be up to a cap of £1,541.75 per month. An example is provided:

A full-time employee in the hospitality sector is paid an average of £1,100 per month. Under the Job Support Scheme – open, they will still collect at least £807 per month. The employer is only required to pay a total of £283 in the month, and the Government will pay the remainder.

Employers are still able to receive the Job Retention Bonus (JRB) of £1,000 per eligible employee whilst utilising this scheme.

Employers that are legally required to close will be eligible for the 'Job Support Scheme – closed', and the details of that scheme remain unchanged.

Increased Self-Employment Income Support Scheme grants

The Chancellor also announced that the amount of profits covered by the upcoming, third Self-Employment Income Support Scheme (SEISS) grant will double from 20% to 40%, and this will mean that the maximum amount of the grant will rise from £1,875 to £3,750. This will be in relation to the period from November 2020 – January 2021.

This grant, and an additional grant that will cover the period from February 2021 – April 2021, will be available to those who are experiencing reduced demand due to coronavirus, and that meet certain eligibility criteria. The grants will be paid in two lump sum instalments, each of which cover a three-month period.

Business grants

Business grants have been expanded to help businesses in the most seriously impacted sectors in areas that are classed as being high alert. The cash grants will be for amounts of up to £2,100 per month, and are primarily intended for businesses in the hospitality, accommodation, and leisure sectors.

It is anticipated that these payments could help approximately 150,000 businesses in England, who have not been legally instructed to close but nevertheless have been adversely affected by local restrictions, put in place due to coronavirus.

CIPP comment

Guidance on the Job Support Scheme, both open and closed, has not yet been released. This guidance is essential because, as always with payroll policies, the devil is in the detail. The CIPP continues to lobby HMRC, and as soon as guidance is made available, we will alert members via News Online and on our social media platforms.

Back to [Contents](#)

Job Support Scheme Open and Job Support Scheme Closed

23 October 2020

HMRC have published a policy paper in advance of the publication of detailed guidance on the Job Support Scheme.

Following the Chancellor's announcement (22 October 2020) on a further extension to the Job Support Scheme (JSS) and the level of Government support available to businesses, that have been impacted by the coronavirus restrictions, a [policy paper](#) has been published that lays out further details of JSS, that includes:

- The Overview of the scheme
- Eligibility Criteria
- Conditions of claiming
- How to claim
- Calculations

The Job Support Scheme will now provide varying levels of support to businesses depending on whether they have had to close, due to legal restrictions set by one of the four UK nations – JSS Closed. Or where they continue to operate but face decreased demand due to the restrictions - JSS Open.

The JSS will run from 1 November for six months. Claims can be made in arrears from 8 December, previous use of the CJRS is not a requirement, Detailed guidance will be published at the end of October 2020.

Additional eligibility criteria will exist depending on whether the employer is using JSS open or JSS closed but both are open to employers who have enrolled for PAYE online and hold a UK, Channel Island or Isle of Man bank account. Employees must have been included on an RTI submission between 6 April 2019 and 11.59pm on 23 September 2020.

A Financial Impact test, to demonstrate that their income has been impacted due to coronavirus, for large employers (a legal entity with 250 or more employees across all payrolls on 23 September) will be needed to enable them to make a claim under JSS open. Full information on the tests needed based on VAT returns is available, with examples, in the [policy paper](#).

Further guidance is awaited for non VAT registered large employers.

As with CJRS, a written agreement of the contractual change, which must be for a minimum of seven consecutive calendar days, is to be provided to the employee. A copy must be maintained by the employer for five years and be made available to HMRC on request.

Employees will be able to check, via their Personal Tax account, whether their employer has made a claim relating to them.

The full amount of any grant must be repaid if a claim is found to be fraudulent. Penalties of up to 100% of the amount overclaimed may be applied where appropriate. HMRC will consider publishing the details of employers who are charged a penalty because of a deliberately incorrect Job Support Scheme grant claim.

There may be the occasion where the pay reference period overlaps between CJRS and JSS i.e. 31 October and 1 November – in this instance claims must be made separately under each scheme.

As with CJRS payments that can be included in the reference pay, which will be fixed, or variable, are regular wages, piece rate payments and non-discretionary payments for: hours worked, fees and commission payments.

The variable hours calculation applies if either the employee is not contracted to a fixed number of hours or the employee's pay depends on the number of hours they work.

For employees whose number of hours varies and/or whose pay depends on the number of hours they work, the number of usual hours is calculated based on the higher of:

The number of hours worked in the same calendar period in the tax year 2019 to 2020

The average number of hours worked in the tax year 2019 to 2020

The average number of hours worked from 1 February 2020 (or the employee's start date if later) until 23 September 2020

Further detail can be found in the [policy paper](#) and full details of the rules will be covered in guidance at the end of October.

[Back to Contents](#)

The latest coronavirus-related statistics published

26 October 2020

HMRC has [published](#) the latest set of statistics relating to the use of the Coronavirus Job Retention Scheme (CJRS).

As of 18 October 2020, the total value of claims made under the scheme equated to £41.4 billion. This is in contrast to the value on the date figures were last recorded – on 20 September 2020 - when claims totalled £39.3 billion. The number of jobs that have been furloughed remains unchanged since 2 August 2020, from which date 9.6 million jobs have been furloughed, and this spans across 1.2 million employers.

The Self-Employment Income Support Scheme (SEISS) has paid out £5.9 billion in grants to eligible self-employed individuals according to data taken on 18 October 2020. This is across 2.3 million claims, and sees an increase from 20 September 2020, at which point £5.6 billion had been paid out in relation to 2.2 million claims.

More detailed information about the distribution of payments under each scheme is available online. The [statistics](#) page analyses the CJRS by scheme size, sector, geography and also explores the use of flexible furlough. [Statistics](#) available relating to the SEISS provide details on the number of individuals claiming the grant by age, gender, industry sector and geography.

[Back to Contents](#)

Establish which areas are in which COVID alert level for the purpose of the Job Support Scheme

27 October 2020

As the Job Support Scheme (JSS) has evolved, and there are now both Open and Closed variations of the scheme, it is important for payroll professionals to be aware of which regions in England are classed as being in which alert level, in order to establish the level of support various businesses can receive.

Any businesses in tier three locations –‘very high’ alert level, that are legally required to close, and meet certain eligibility criteria can access the Closed version of the scheme, under which the Government will fund two-thirds of employee wages up to a cap of £2,083.33 per month.

Businesses in other tiers, so either ‘medium’ or ‘high’ at the time of writing, can claim under the Open version of the scheme, which will require employees to work at least 20% of their ordinary hours, with a contribution from employers of 5% for any usual hours not worked. The Government will pay up to 61.67% and a maximum of £1,541.75 per month of the reference salary for any of those ordinary hours not worked. This will be available to businesses that continue to face reduced demand due to coronavirus, which may require them to cut the hours of staff, but who still remain open.

A policy paper which provides high level details of both the Open and Closed schemes is available on [Gov.UK](https://www.gov.uk).

In order to monitor which scheme variation will apply, it is important for payroll professionals to be aware of which restrictions are in place and where. There is a [list](#) of which areas are classed as being in each of the alert levels, and this should be checked regularly, as different areas will move in and out of each of the risk categories.

This list is applicable to England, and different rules may apply in each of the devolved nations, so it is also important to be aware of this.

Back to [Contents](#)

Childcare support still available if incomes fall below the minimum threshold

28 October 2020

The Department for Education has advised that working parents who are placed on the Government’s coronavirus support schemes will still be eligible for childcare support even if their income falls below the minimum threshold requirement.

The 1 November sees the start of the new Job Support Scheme. Employees who are placed on this scheme will receive a reduction in their normal pay which could take them under the threshold to be eligible to receive childcare entitlements, which include the 30 free hours offer and eligibility to Tax-Free Childcare. The Government have confirmed that those that are affected by this will still be eligible to the schemes and that they will continue to receive such entitlements.

Newly published [data](#) has shown that more and more parents are returning to their formal childcare settings and are getting back to work following the impacts of the pandemic. Levels of attendance within most nurseries, preschools and childminders are now starting to climb back to pre-pandemic levels have been shown in official statistics. Children and Families Minister Vicky Ford said:

“This Government is increasing the safety net available to families, protecting working parents and our dedicated early years sector. This has been our constant priority, which is why I am so pleased to see attendance rates rising, as more parents return to work and take up the formal childcare arrangements they used before Covid-19 struck. It’s testament to the hard work of early years professionals that these numbers are returning to what we would have seen before the pandemic. We know challenges remain for many families, which is why we continue to protect parents’ eligibility for our free childcare offers so they retain this vital support.”

Within [attendance data](#), it has been revealed that more parents are resuming their formal childcare settings, with attendance at early years settings now at 86% of pre-coronavirus daily levels. This is set to increase further as, [data published](#) in the latest parent survey undertaken by Ipsos MORI, showed that in September 94% of parents whose child received formal childcare before the pandemic were either using formal childcare now, or were planning to return their child to formal childcare if they could by January 2021.

It also showed that amongst those families who had returned to using formal childcare in September, 71% were at the same nursery, preschool or childminder as they were prior to the pandemic, while exactly half were using the same number of hours of formal childcare as previously. Only one in eight were using less hours, while more than one third (35%) had enhanced their hours of formal childcare.

Karl Khan, Director General HMRC Customer Service said:

"HMRC remains ready to help all customers as part of the government's response to the pandemic, including those who benefit from Tax-Free Childcare.

We want everyone to get the money they are entitled to, and there's a range of support available to help families with childcare costs. We'd encourage parents to check the Childcare Choices website to see which offers will work best for them."

The Job Support Scheme and extension to Self-Employed Income Support Scheme have been introduced to replace the Government's Coronavirus Job Retention Scheme, which will end on 31 October.

To be eligible for 30 hours free childcare and [Tax-Free Childcare](#) parents must work at least 16 hours per week at the national minimum wage. In response to the challenges faced by working parents throughout the pandemic, the Government previously announced in May, that those who were eligible prior to the pandemic, but now whose income had temporarily dropped as a direct result of the COVID-19, that they would continue to retain access to support through 30 hours free childcare or Tax-Free Childcare.

The Department for Education provides 30 hours free childcare to eligible three and four year-olds in England and has seen 180,000 applications and around 430,000 reconfirmations for 30 hours places since March 2020 which demonstrates the importance of protecting parents' eligibility.

Back to [Contents](#)

HMRC webinars: Coronavirus-related measures and the Statutory Sick Pay Rebate Scheme

29 October 2020

As businesses are aware, the Coronavirus Job Retention Scheme (CJRS) is due to close on 31 October 2020, and any claims must be made on, or prior to, 30 November 2020. The Job Support Scheme (JSS) will then open on 1 November 2020, and associated claims can be submitted from 8 December 2020. In addition to this, eligible employers may be entitled to claim the Job Retention Bonus (JRB). Due to all of the changes, HMRC is running a series of webinars, designed to assist employers with the measures implemented to help them, and their employees, through the outbreak of coronavirus,

[The COVID-19 support for employers](#) is a live webinar, and will provide a roundup of the CJRS, and how to claim. It will also discuss the latest guidance on the JRB, including information on checking if employees are eligible, what can be claimed, and what can be done now to prepare. There will also be an introduction to the JSS, providing detail relating to businesses to ensure that they get the right assistance, at the right time, depending on their situation. The webinars will be updated as and when the latest information becomes available.

Monthly webinars on the topic of the [Coronavirus \(COVID-19\) Statutory Sick Pay Rebate Scheme](#) are also being hosted. These sessions will confirm:

- Who can claim
- When to start paying Statutory Sick Pay (SSP)
- Who can be claimed for
- How to make a claim
- What businesses may be entitled to

- Maintaining records

There will be the opportunity to ask questions within the on-screen text box throughout the duration of the webinars.

Back to [Contents](#)

Coronavirus Statutory Sick Pay Rebate Scheme: Update

30 October 2020

HMRC has updated its [guidance](#) in relation to the Coronavirus Statutory Sick Pay (SSP) Rebate Scheme, to confirm that employers may ask employees to provide a 'shielding note' or letter from their doctor or health authority, because employees are not required to provide a doctor's fit note in order for their employer to make a claim.

Individuals who are advised to shield are told to do so because they're at high risk of severe illness from coronavirus.

The most recent guidance on payment of SSP for shielding is that shielding is still grounds for payment of SSP in areas in which local lockdown is being imposed, but has been paused on a national level. How this translates in terms of covid risk rate tiers is not yet known but if employees are provided with a shielding note or letter then this can be sufficient grounds to pay SSP.

Back to [Contents](#)

HMRC webinar: extension to the Self-Employment Income Support Scheme

2 November 2020

As Rishi Sunak revealed that there would be an extension to the Self-Employment Income Support Scheme (SEISS) to help any self-employed individuals or members of partnerships that have been adversely affected by coronavirus through the Winter months, HMRC has published a [webinar](#) on the topic to assist anybody intending to make a claim for grants under the scheme.

The webinar will cover:

- How to make a claim under SEISS
- Who is eligible
- The amount that can be claimed
- Other support that may be available

The two additional grants that are being introduced, one of which will cover the period from November 2020 – January 2021, and the other which will relate to February 2021 – April 2021, were announced by the Chancellor within the Winter Economy Plan on 24 September 2020.

Initially, the first additional grant would be to cover 20% of average monthly profits, up to a maximum of £1,875. On 9 October 2020, however, it was announced, that this would be doubled to 40% of average monthly trading profits, which will be paid out in a single instalment and capped at £3,750.

The level of support offered under the second additional grant will be reviewed by the Government in due course.

The online service for the next grant will be available from 14 December 2020.

Back to [Contents](#)

SEISS extension increased for November 2020

3 November 2020

The Self Employment Income Support Scheme (SEISS) will increase from 40% to 80% for the period of November, doubling to what was originally proposed.

During his [statement](#) in parliament today (2 November), the Prime Minister announced that the Government will increase the SEISS percentage for November from 40% to 80%, to match the support given under the CJRS extension.

SEISS is calculated over 3 months therefore this increases the total grant from 40% to 55% of trading profits for November to January with the maximum grant increasing to £5,160.

The HM Treasury has also advised that grants will be paid faster than previously planned, with the claims window opening at the end of November rather than the middle of December. We await further clarification on the exact date and will advise when further details are available.

Back to [Contents](#)

Self-Employment Income Support Scheme (SEISS) Grant Extension

4 November 2020

SEISS Grant Extension increased to reflect the 80% increase for November and date to claim brought forward.

As announced yesterday (2 November 2020) by the Prime Minister, Boris Johnson, the extended support given under the SEISS will increase to 80% to mirror the support given under CJRS for the period of November.

The SEISS Grant Extension will provide increased support to the self-employed in the form of two grant payments, each covering a three-month period - November to January and February to April. As with previous grant payments, grants will be paid in two lump sum instalments to cover these periods.

The first grant will cover a three-month period from the start of November until the end of January and will be calculated using 55% of average trading monthly profits, capped at £5,160. Previously, the government advised that 40% could be claimed, however, with the additional 40% being applied to November this increases the total level of the grant from 40% to 55% of trading profits for November to January.

The second grant will cover a three-month period from the start of February until the end of April and the Government will review the level of support available for the second grant and set this in due course.

Just as with the previous grants were, the grants provided under this extended scheme are taxable income and subject to National Insurance contributions therefore should be reported in line with self-assessment requirements.

To be eligible for the scheme, self-employed individuals, including members of partnerships, must:

- Have been previously eligible for the Self-Employment Income Support Scheme first and second grant (although they do not have to have claimed the previous grants)
- Intend to continue to trade and either:
 - Are currently actively trading but are impacted by reduced demand due to coronavirus
 - Were previously trading but are temporarily unable to do so due to coronavirus

In addition, the service will open from 30 November and not 14 December as was previously planned.

Full guidance is to be published on [GOV.UK](#) within the next few days and HMRC are requesting that people do not call for more information prior to reading published guidance.

Back to [Contents](#)

Further extension to the Self-Employment Income Support Scheme

9 November 2020

It has been [confirmed](#) that, in recognition of the prolonged impact that coronavirus is having, the level of support offered under the Self-Employment Income Support Scheme (SEISS) will be increased.

It was initially announced that the level of the grant for November 2020 would be increased to 80% of average trading profits, but that the level of support for December 2020 and January 2021 would remain at 40%, equating to 55% of average trading profits across the three-month period.

Rishi Sunak then announced, on 5 November 2020, that for November 2020, December 2020 and January 2021, the Government will instead pay 80% of average trading profits across all three months, up to a cap of £7,500, to be paid out in one single instalment for eligible self-employed individuals.

Self-employed individuals, including members of partnerships will be eligible for the grant extension, if they were previously eligible for the first and second SEISS grants (although there is no requirement for them to have actually claimed the previous grants). They must also confirm that they intend to continue to trade and are either currently actively trading but seeing a reduced demand due to coronavirus or were previously trading but can no longer do so because of coronavirus.

Back to [Contents](#)

The Statutory Sick Pay extension in Wales

10 November 2020

The Welsh Government has [announced](#) that there will be additional support for any care workers who need to refrain from working due to the fact that they either have, or suspect that they have, COVID-19, or in scenarios where they are required to self-isolate.

The Statutory Sick Pay (SSP) enhancement scheme will provide funding to enable employers to pay any eligible workers at their full rate of pay if they cannot work because of coronavirus. It is intended to erase the financial disadvantage to care workers of staying away from work, meaning that, in turn, the most vulnerable citizens will be protected. The scheme will run until 31 March 2021.

Eligibility for the scheme is dependent on a person's role, their type of employment, the reasons for their absence and the amount of sick pay they ordinarily get.

Eligible roles include:

- Employees of registered care homes (including children's homes)
- Employees of domiciliary care services
- Agency care workers or agency nurses (when undertaking work booked by a registered care home or domiciliary care service)
- Bank or pool staff when booked to undertake a series of shifts
- Contracted staff providing daily input into care homes and having substantial contact with residents (for example catering staff)
- Personal assistants paid through direct payments

Extensive information regarding eligible roles can be found [here](#).

Employees can work either full-time or part-time, work on a zero-hours, permanent or temporary contract, work from a care agency, be bank or pool staff, or be self-employed. They must be absent from work because they either have symptoms of, or test positive for, Covid-19, be self-isolating following instruction from the NHS Wales Test Trace Protect Service or be self-isolating because a member of their household is self-isolating.

They are eligible if they only receive SSP when they are off sick, or in scenarios where they are not eligible for SSP. Any individuals who already receive full pay for sickness absence are not eligible for the scheme.

SSP enhancements will not be provided in cases where somebody is absent because they have childcare or carer responsibilities, or needs to quarantine after foreign travel, or who cannot work due to being assessed as high risk using the All Wales Covid-19 workforce risk assessment tool.

Where employers and employees are eligible to participate in the scheme, there is a process to be followed. Any potential eligible employees are required to submit a brief declaration form, which confirms that they are happy for their personal data to be shared with their local authority to administer the scheme. The employee must inform their employer that they cannot work because of one of the reasons relating to Covid-19, as detailed above.

Once the SSP enhancement scheme form has been submitted, employers may pay employees their standard salary, and where hours are irregular, pay should be the average of the last eight weeks' worth of pay. The employer must then advise the local authority and provide the employee's National Insurance (NI) number, pay, the dates of absence and the reason for the absence. The local authority will then reimburse the employer accordingly.

Employers and care agencies need to:

- Advise staff of the availability of the scheme
- Issue declaration forms
- Retain declaration forms for audit and checking purposes, for a minimum of 24 months following the date of the payment
- Continue to pay employee or agency staff at full pay
- Submit claims to the local authority

The enhanced payment made to employees under the scheme is liable for tax and NI contributions, along with pension and student loan deductions.

The value of the enhanced pay is the difference between SSP (where employees are eligible) and the employee's usual full pay. For care workers not eligible for SSP, the enhanced pay will equate to 100% of their usual full pay. Organisations are reminded of their duty to comply with GDPR regulations.

Care workers could also be eligible for the Self-isolation support scheme if they are in receipt of benefits. This provides a £500 payment to individuals asked to self-isolate if they have Covid-19, or those identified as a close contact by the NHS Wales Test Trace Protect service.

Back to [Contents](#)

Coronavirus Job Retention Scheme (CJRS)

CIPP webcast: Coronavirus support measures

3 April 2020

In order to keep our members informed of recently announced measures to support employers, employees and the self-employed through the outbreak of Coronavirus, the CIPP has produced a [webcast](#) that surmises some of the key points for payroll professionals to familiarise themselves with.

The webcast discusses temporary amendments to Statutory Sick Pay (SSP), the Coronavirus Job Retention Scheme and the Self-employment Income Support Scheme. An overview of some of the other policies affected by the outbreak of coronavirus is also included, as this will impact the work that payrollers carry out.

You can listen to the webcast [here](#).

As the situation with coronavirus is continually changing, so does the guidance, so be sure to keep checking the CIPP's News Online pages to ensure that you have the very latest information.

Back to [Contents](#)

Coronavirus Job Retention Scheme Guidance Updated

7 April 2020

On 4 April 2020, further details relating to the Coronavirus Job Retention Scheme were published by HMRC, and many of the questions that have recently been raised by payroll professionals have been addressed.

There updates have been made to both the [employee](#) guidance and the guidance for [employers](#).

Understandably, many queries have been raised relating to which elements of pay can be reclaimed back from HMRC, and the new guidance does provide some further information. There has been clarification that an employer may reclaim 80% of regular payments that an employer is obliged to pay to their employees. This is inclusive of wages, any overtime already completed, fees and compulsory commission payments. This is a substantial change from the original guidance, which stated that commission and fees could not be included. The update confirms that discretionary bonus payments (including tips), commission and non-cash payments should not be included.

The reference salary should not include the cost of non-monetary benefits provided to employees, including taxable Benefits in Kind. Similarly, benefits provided through salary sacrifice schemes (including pension contributions) that reduce an employee's taxable pay should also not be included in the reference salary. Where the employer provides benefits to furloughed employees, this should be in addition to the wages that must be paid under the terms of the Job Retention Scheme.

The guidance confirms that student loans and Apprenticeship Levy should continue to be paid in the normal fashion, and that the grant from the government will not cover these costs.

Salaried company directors can be furloughed and can continue to perform statutory duties only. This differs to other furloughed employees who cannot carry out any work at all for the employer who has placed them on furlough. The same rules apply to individuals who are directors of their own personal service company (PSC), as those applied to company directors.

Further confirmation has been provided in relation to the National Living Wage (NLW) / National Minimum Wage (NMW) and Apprentices Minimum Wage (AMW). As already stated, furloughed workers, as they aren't working, are not entitled to those rates and, if 80% of their pay brings them below this rate, it does not matter. However, the increase to rates from 1 April 2020 must be observed for payment for any hours spent in training. The employer will need to pay the additional amounts not covered by the grant, to ensure NLW/ NMW /AMW are paid for any training hours. The same applies to apprentices for any time they spend training.

HMRC has agreed that COVID-19 counts as a life event and is reason enough to allow individuals to make changes to salary sacrifice arrangements, as ordinarily, employees cannot switch freely out of a salary sacrifice scheme unless there is a significant life event. The contract of employment needs to be updated accordingly.

CIPP comment

Although the CIPP wholeheartedly welcomes the further guidance on the Coronavirus Job Retention Scheme, there will inevitably be many more questions that payroll professionals will have.

The CIPP will continue to update its members via News Online and various social media platforms, to keep them as informed as possible.

Back to [Contents](#)

HMRC confirms that the online service for reclaiming wages under the CJRS is due to be launched on 20 April

9 April 2020

HMRC has confirmed, by email, that an online service will be raised to allow businesses to make claims relating to the Coronavirus Job Retention Scheme (CJRS), and that it is due to be launched on 20 April 2020.

The Chancellor, Rishi Sunak, called on HMRC to assist with delivering financial support to businesses and citizens during the outbreak of coronavirus, and one of the measures introduced to do so was the CJRS. HMRC has now confirmed the intended launch date and explained that claims will need to be made online, and not by phone.

HMRC has advised that it is working as quickly as possible to deliver the service that will allow businesses to make a claim for 80% of furloughed employees' pay, up to a maximum cap of £2,500 per eligible employee.

Any businesses and agents that are authorised to act on behalf of clients for PAYE matters will have the ability to claim. Conversely, file only agents including Payroll Bureaus with only that access level will not be able to access the service for data protection reasons.

HMRC still requires the support of file only agents, even though they will not be able to access the service themselves. These agents are being asked to help their clients, as it is highly likely that they will have access to information that their clients will need in order to make their claims.

Businesses will need the following in relation to each furloughed employee:

- National Insurance number
- Salary, National Insurance and pension contribution information to allow businesses to correctly calculate the amount that they can claim back

The service is due to be launched on 20 April, and businesses will be contacted with advice on what they need to do, by HMRC, at that time.

It is expected that phone demand will increase substantially and so the service will be designed to be self-serve but will be accompanied by guidance.

Further information relating to support for businesses and workers will be provided shortly, and more details on the Coronavirus Self Employment Income Support Scheme will be released.

The resounding message is that HMRC is working relentlessly to help deliver financial support to those who need it during these unprecedented times.

Back to [Contents](#)

Answers to many questions on Coronavirus Job Retention Scheme (CJRS)

14 April 2020

From the moment the Prime Minister mentioned SSP being due from day one for those affected by coronavirus, payroll professionals, across all sectors, have been inundated with questions.

The number of questions have increased with each Government announcement, and update to guidance. We don't anticipate this latest update will be any different, however some of the more commonly asked questions have been addressed in the latest [Employer guidance on CJRS](#).

Updated guidance for [employees](#) is also available, we recommend you familiarise yourself with both sets but be aware they are written for different audiences.

We have included a selection of some of the regularly asked questions that we have received, but read the [guidance](#), in full, for all of the latest changes.

Employee transfers under TUPE and on a change in ownership

A new employer is eligible to claim under the CJRS in respect of the employees of a previous business transferred after 28th February 2020 if either the TUPE or PAYE business succession rules apply to the change in ownership.

Further guidance is available on [TUPE](#) rules and on the subject of [business succession](#).

Payroll Consolidation

Where a group of companies have multiple PAYE schemes and there is a transfer of all employees from these schemes into a new consolidated PAYE scheme after 28 February 2020, the new scheme will be eligible to furlough those employees and claim the grants available under the CJRS.

Returning from statutory leave

Statutory leave includes maternity leave, paternity leave, shared parental leave, adoption leave, sick leave and parental bereavement leave.

In line with other employees, claims for full or part time employees returning from statutory leave after 28 February 2020 should be calculated against their salary, before tax, not the pay they received whilst on statutory leave.

Claims for those on variable pay, returning from statutory leave should be calculated using either the:

- same month's earning from the previous year
- average monthly earnings for the 2019-2020 tax year.

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 confirm in writing to their employee confirming that they have been furloughed. **A record of this communication must be kept for five years.**

You do not need to place all your employees on furlough. However, those employees who you do place on furlough cannot undertake work for you.

Employer minimum Pension

Employer pension contributions that are paid on the subsidised furlough pay, up to the level of the minimum automatic enrolment employer contribution.

The maximum level of grant for employer pension contributions on subsidised furlough pay is set in line with the minimum automatic enrolment employer contribution of 3% on qualifying earnings.

Grants for pension contributions can be claimed up to this cap provided the employer will pay the whole amount claimed to a pension scheme for the employee as an employer contribution.

[The latest HMRC employer guidance](#)

Back to [Contents](#)

Latest update from HMRC – Interaction with SSP, furlough and Coronavirus Job Retention Scheme

14 April 2020

HMRC have published a further update on the rules of Furlough, the Coronavirus Job Retention Scheme and funding portal, which is due to be launched in the w/c 20 April 2020.

As with all updates this comes with the warning that guidance is subject to change so monitor the [Employer guidance](#) for the latest available information.

Interaction with absence due to illness and furlough

The latest information focuses on the subject of SSP and its interaction with furlough during periods of self-isolation, shielding and sickness.

If your employee is self-isolating or on sick leave

If your employee is on sick leave or self-isolating as a result of Coronavirus, they may be able to get Statutory Sick Pay, subject to other eligibility conditions applying. The Coronavirus Job Retention Scheme is not intended for short-term absences from work due to sickness, and there is a 3 week minimum furlough period.

Short term illness/ self-isolation should not be a consideration in deciding whether to furlough an employee. If, however, employers want to furlough employees for business reasons and they are currently off sick, they are eligible to do so, as with other employees. In these cases, the employee should no longer receive sick pay and would be classified as a furloughed employee.

Employers are also entitled to furlough employees who are being shielded or off on long-term sick leave. It is up to employers to decide whether to furlough these employees. You can claim back from both the Coronavirus Job Retention Scheme and the SSP rebate scheme for the same employee but not for the same period of time. When an employee is on furlough, you can only reclaim expenditure through the Coronavirus Job Retention Scheme, and not the SSP rebate scheme.

If a non-furloughed employee becomes ill, needs to self-isolate or be [shielded](#), then you might qualify for the SSP rebate scheme, enabling you to claim up to two weeks of SSP per employee.

If your employee becomes sick while furloughed

Furloughed employees retain their statutory rights, including their right to Statutory Sick Pay. This means that furloughed employees who become ill must be paid at least Statutory Sick Pay. 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.

If a furloughed employee who becomes sick is moved onto SSP, employers can no longer claim for the furloughed salary. Employers are required to pay SSP themselves, although may qualify for a rebate for up to 2 weeks of SSP. If employers keep the sick furloughed employee on the furloughed rate, they remain eligible to claim for these costs through the furloughed scheme.

Shielding Employees

Employees who are unable to work because they are shielding in line with [public health guidance](#) (or need to stay home with someone who is shielding) can be furloughed.

Updated guidance is also available for [employees](#).

Back to [Contents](#)

Claiming for furlough payments – what you will need

14 April 2020

The furlough payment recovery mechanism is to be launched sometime during the week commencing 20 April - what will employers need to have ready.

Employers must have:

- created and started a PAYE scheme on or before 28 February 2020 ([guidance](#) covers TUPE, change of ownership and payroll consolidation)
- enrolled for [PAYE online](#) (this process can take up to 10 days under normal working conditions)
- a UK bank account

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 also be necessary to engage collective consultation processes to procure agreement to changes to terms of employment. Employers will need:

- employer PAYE reference number
- the number of employees being furloughed
- National Insurance Numbers for the employees to furlough
- Names of the employees to furlough
- Payroll/works number for the employees to furlough
- Self Assessment Unique Taxpayer Reference or Corporation Tax Unique Taxpayer Reference or Company Registration Number
- the claim period (start and end date)
- amount claimed (per the minimum length of furloughing of 3 consecutive weeks)
- bank account number and sort code
- contact name
- contact phone number

Employers will need to calculate the amount they wish to claim. HMRC will retain the right to retrospectively audit all aspects of the claim.

If an employer uses an agent who is authorised to act for them for PAYE purposes, they will be able to make a claim on their client's behalf.

If the employer uses a file only agent (who files the RTI return but doesn't act for their client on any other matters) they won't be authorised to make a claim. The employer will need to make the claim directly. The file only agent may be able to assist the employer in obtaining the information needed for the claim, as listed above.

Employers should discuss with their agent what services they plan to, or are able to, provide in this situation.

Claim

Employers should make their claims using the amounts in their payroll - either shortly before or during running payroll. Claims can be backdated until the 1 March where employees have already been furloughed.

If appropriate, worker's wages should be reduced to 80% of their salary within the payroll before they are paid. This adjustment will not be made by HMRC. Read [guidance](#) for the calculation to use for salaried workers and workers whose pay varies.

Minimum furlough periods

Any employees you place on furlough must be furloughed for a minimum period of 3 consecutive weeks. When they return to work, they must be taken off furlough. Employees can be furloughed multiple times, but each separate instance must be for a minimum period of 3 consecutive weeks.

After making the claim

HMRC will check each claim, and if the employer is eligible, pay it by BACS to a UK bank account.

Read the latest HMRC [guidance](#) in full before making a claim.

Back to [Contents](#)

Rishi Sunak makes a Treasury Direction in relation to the Coronavirus Job Retention Scheme

16 April 2020

Chancellor, Rishi Sunak, has made a [Treasury Direction](#) under Sections 71 and 76 of the Coronavirus Act 2020, which states that HMRC is responsible for the management and payment of amounts to be paid under the Coronavirus Job Retention Scheme (CJRS).

There is a wealth of information within the document, which is broken down into subsections.

The content reflects the updates that were made to [employer](#) and [employee](#) guidance on 15 April 2020. One such update relates to the fact that employees who were employed on or before 19 March 2020 are eligible for furlough, if their employer had submitted Real Time Information (RTI) to HMRC relating to that employee by that date. Previously, employees needed to be on PAYE payroll on or before 28 February 2020 to be eligible for furlough.

The document makes it clear that CJRS claims should not be made in respect of an employee if it is abusive or is "otherwise contrary to the exceptional purpose of CJRS." Payments should only be made for the purpose of CJRS and must be returned to HMRC immediately if the person making the claim becomes unwilling or unable to use the payment for that purpose.

For employers with multiple PAYE schemes, separate claims must be made for each scheme and the amount of any payment under CJRS will need to be calculated separately for each scheme.

The document also confirms that the Scheme is not only available to employees who would have otherwise been made redundant, but that it is also open to any employees furloughed due to circumstances caused by coronavirus. There is further confirmation that a director who is furloughed may continue to complete statutory duties, unlike other individuals who have been furloughed who must cease all work in relation to their employment.

There is still no further information relating to the subject of annual leave, which the [employer](#) and [employee](#) guidance on the CJRS also remain silent on.

Back to [Contents](#)

Further updates to Coronavirus Job Retention Scheme guidance

16 April 2020

HMRC has updated its guidance for both [employers](#) and [employees](#) in relation to the Coronavirus Job Retention Scheme (CJRS). The updates provide further details regarding the payroll date and additional information about eligibility.

Payroll date

One fundamental change relates to when an employer needs to have created and started a PAYE payroll scheme by – initially it was 28 February 2020, but this has since been extended to encompass employers who had completed this on or before 19 March 2020.

Employees can also now be placed on furlough if they were on PAYE payroll on or before 19 March 2020 (previously on or before 28 February 2020), and where HMRC was notified of them on an RTI submission on or before 19 March 2020.

Employees employed as of 28 February 2020 and where their employer notified HMRC of them on an RTI submission on or before 28 February, who were made redundant or stopped working for the employer after that and prior to 19 March 2020, can also qualify for the scheme if they are re-employed by their employer and placed on furlough. This applies to employees who were made redundant or stopped working for an employer after 28 February 2020, even if they were not re-employed until after 19 March 2020. An RTI submission showing payment in respect of that employee must have been made to HMRC on or before 28 February 2020.

There is also confirmation that if an employee has had numerous employers over the past year, only worked for one of them at any given time and is being furloughed by their current employer, any former employer/s should not re-employ them to place on furlough and claim wages through the scheme.

New employers can claim under the CJRS for employees of a previous business transferred after 19 March 2020 where either TUPE or PAYE business succession rules apply to the change in ownership. Where a group of

companies with multiple PAYE schemes have all of their employees transferred into a new consolidated PAYE scheme after 19 March 2020, the new scheme will be eligible to furlough those employees and claim grants under the CJRS.

To calculate 80% of the wages for full time or part time employees with a salary, you must use the salary in the last pay period prior to 19 March 2020. Where employers have calculated on previous guidance that stipulated that the 80% calculation should be based on an employee's salary as at 28 February 2020, and this differs from the salary in the last pay period prior to 19 March 2020, employers can opt to use the original calculation if they wish.

Making a claim

Where employers have less than 100 furloughed staff, they will be required to enter the details of each employee they are claiming for directly into the system. The information required will be name, National Insurance number, claim period and amount and the payroll / employee number (optional).

Employers who have 100 or more furloughed staff will need to upload a file with the information, rather than directly input information into the system. File types .xls, .xlsx, .csv and .ods will be accepted. The file will need the same information, so name, National insurance number, claim period and amount and the payroll / employee number (optional).

All records and calculations should be kept in respect of the claims.

HMRC requests that employers keep employees informed and answer any questions they may have. HMRC will not be able to provide employees with details relating to claims that employers have made, so employers should refrain from advising their employees to contact HMRC.

Agents who are authorised to act for their clients for PAYE purposes will be able to make claims on their behalf, but file only agents won't. File only agents will need to provide their clients with the information they need to make their claims. Agents who can claim on behalf of their clients will need to confirm with their client which bank account they like the grant to be paid into.

Back to [Contents](#)

Furlough scheme extended until end of June

20 April 2020

The Chancellor, Rishi Sunak, has confirmed that the Coronavirus Job Retention Scheme (CJRS) will be extended by a further month, to the end of June 2020.

The extension has been granted to reflect the continued requirement for the public to adhere to social distancing measures, in order to stop the spread of coronavirus.

A [press release](#) has been issued by the Treasury which explains that the move ensures that firms across the UK can continue to protect millions of jobs, and that the scheme will be continuously monitored to ensure that people and businesses can get back to work, but only when it is safe to do so, to drive the UK's economic recovery.

The scheme was originally open for a period of three months and backdated from 1 March to the end of May but will now be open until the end of June. The Chancellor maintains that the scheme could still be extended further should it be necessary.

Rishi Sunak said:

"We've taken unprecedented action to support jobs and businesses through this period of uncertainty, including the UK-wide Job Retention Scheme. With the extension of the coronavirus lockdown measures yesterday, it is the right decision to extend the furlough scheme for a month to the end of June to provide clarity.

It is vital for people's livelihoods that the UK economy gets up and running again when it is safe to do so, and I will continue to review the scheme so it is supporting our recovery."

The Office for Budgetary Responsibility (OBR) confirmed that the CJRS is limiting the impact that COVID-19 is having on employment.

Any further decisions on the CJRS will consider the wider measures being taken to curb the spread of coronavirus, but also take the responsible management of public finances into account.

[Back to Contents](#)

Guidance on how to calculate wage figures through the Coronavirus Job Retention Scheme

20 April 2020

HMRC has published [guidance](#) which explains how to calculate 80% of employee's wages, National Insurance (NI) contributions and pension contributions to claim through the Coronavirus Job Retention Scheme (CJRS).

As expected, the guidance is lengthy and detailed but serves to answer many of the questions that payroll professionals have raised over the past few weeks.

Claims need to be started from the date that the employee stops working and starts furlough and not when the decision is made or the date on which they are written to confirming their furloughed status.

When the online service launches on 20 April 2020, a calculator will also be available to assist claimants in calculating how much they can claim.

Calculating the maximum wage account that can be claimed

There is a cap of £2,500 a month, or £576.98 a week that can be claimed via the CJRS, plus any associated employer National Insurance (NI) contributions and pension contributions.

For claims that don't span either a week or month, daily maximum wage amounts will need to be used to work out the maximum amount that can be claimed per employee.

In order to calculate the maximum amount that can be claimed, multiply the daily maximum wage amount by the number of days the employee is furloughed for in the claim.

Month	Daily maximum wage amount
March 2020	£80.65 per day
April 2020	£83.34 per day
May 2020	£80.65 per day

For any employees furloughed over a period of two calendar months, the maximum amount for each calendar month will need to be calculated and added together.

If a claim is being made for multiple pay periods in one claim, the total maximum can be calculated using a mixture of the daily maximum wage amount, the weekly maximum wage amount and the monthly maximum wage amount. The following example is included:

- A Limited company pays all of their employees weekly on each Friday and puts all of their employees on furlough on Wednesday 8 April 2020.
- A Ltd will need to calculate the grant using the daily calculation for the first pay period which ends on Friday 10 April 2020. This is £83.34 multiplied by 3 days, which is £250.02.
- For the next pay period, 11 April 2020 to 17 April 2020, the maximum amount is £576.92 because the pay period is a whole week, and the employee is furloughed on each day.
- A Ltd makes a claim for 8 April 2020 to 17 April 2020. The maximum wage amount that they can claim for is the two amounts added, £826.94.

Calculate 80% of an employee's normal wage

The calculator that will be available on 20 April 2020 will assist in the calculation of how much can be claimed. The method for calculating an employee's usual wages will differ based on the way they're paid. Claimants must check what can be included as wages first.

The claimant must use the calculation that best fits the way the employee is paid, e.g. if an employee is paid a regular salary, use the calculation for fixed pay amounts. The guidance confirms that HMRC will not decline or seek repayment of any grant on the sole basis of the particular choice of pay calculation, as long as a reasonable choice of approach is made.

If a claim spans multiple pay periods, this calculation should be done for each period and then added together.

Calculate 80% of wages for fixed rate full or part time employees on a salary

The claim must be made for 80% of the employee's wages from their last pay period before 19 March 2020. If claims have already been calculated based on the employee's wages as of 28 February 2020, then this calculation can still be used for the first claim.

80% of the employee's wage is calculated as follows:

1. Look at an employee's wages, in their last pay period before 19 March 2020. If the claim is for a full pay period, skip to step four
2. Divide by the total number of days in the pay period
3. Multiply by the number of furlough days in the pay period
4. Multiply by 80%

The following example is provided:

Worker started work for B Ltd in 1997 and is paid a regular monthly salary on the last day of each month. The worker agreed to be placed on furlough from 23 March 2020. The worker was paid £2,400 for the last full monthly pay period before 19 March 2020. There are 9 days between 23 March and 31 March.

1. Start with £2,400 (employee's wages)
2. Divide by 31 (the total number of days in March)
3. Multiply by 9 (the number of furlough days in March)
4. Multiply by 80% - which is £557.42

If employee has not been paid for a full pay period up to 19 March 2020

If the employee has not been paid for a full pay period up to 19 March 2020, the normal wages will need to be worked out, and then 80% of that calculated. This should be done as follows:

1. Start with the amount employee was paid in their last pay period
2. Divide by the number of days in the last pay period (inclusive of non-working days)
3. Multiply by the number of days that would have been in that pay period
4. Divide by the total number of days in this pay period
5. Multiply by the number of furlough days in this pay period
6. Multiply by 80%

The following example is provided:

Employee started work for B Ltd on 21 February 2020 and is paid on the last day of each month. The employee had not had a full pay period up to 19 March 2020, but was paid £700 as a pro-rata of their salary on 29 February 2020. There are 9 days between 21 February and 29 February. The employee agrees to be furloughed from 25 March 2020. There are 7 days between 25 March and 31 March.

1. Start with £700 (the amount they were paid in their last pay period)
2. Divide by 9 (the number of days in their last pay period – including non-working days)
3. Multiply by 29 (days in February)
4. Divide by 31 (the total number of days in the March pay period)
5. Multiply by 7 (the number of furlough days in the March pay period)
6. Multiply by 80% - which is £407.46

Calculation for employees whose pay varies, that were employed from 6 April 2019

For employees who have been continuously employed from the start of the 2019-20 tax year, a claim can be made for the higher of either (up to the cap of £2,500 per month):

- 80% of the same month's wages from the previous year
- 80% of the average monthly wages for the tax year 2019-20

Where calculating 80% of the month's wages from the previous year:

1. Start with the amount they earned in the same period last year
2. Divide by the total number of days in this pay period – including non-working days
3. Multiply by the number of furlough days in this pay period
4. Multiply by 80%

The following example is included:

A Ltd pays an employee on a weekly basis. The employee's pay period starts on 23 March 2020 and ends on 29 March 2020. The employee was paid £350 for 23 March 2019 to 29 March 2019. The employee was furloughed for the whole week.

1. Start with £350 (the amount they earned in the same period last year)
2. Divide by 7 (the total number of days in this pay period)
3. Multiply by 7 (the number of furlough days in this pay period)
4. Multiply by 80% - this is £280

When calculating 80% of the average monthly wages for the last tax year:

1. Start with the amount they earned in the tax year up to the day before they were furloughed.
2. Divide it by the number of days from the start of the tax year - including non-working days (up to the day before they were furloughed, or 5 April 2020 – whichever is earlier).
3. Multiply by the number of furlough days in this pay period.
4. Multiply by 80%.

The example below is given:

Worker started work for A Ltd in 2010 and was placed on furlough on 23 March 2020, earning £15,000 between 6 April 2019 and 22 March 2020 inclusive. There are 353 days between 6 April 2019 and 22 March 2020. A Ltd is claiming for 23 March to 31 March 2020. There are 9 days between 23 March and 31 March.

1. Start with £15,000 (the amount they earned in the tax year up to the day before they were furloughed)
2. Divide it by 353 (the number of days from the start the tax year, up to the day before they were furloughed)
3. Multiply by 9 (the number of furlough days in this pay period)
4. Multiply by 80% - this is £305.95

Calculation for employees whose pay varies, who started employment after 6 April 2019

For employees who started employment after 6 April 2019, the claim should be made for 80% of their average monthly wages since they started work until they date they were furloughed, up to a maximum of £2,500.

To work out 80% of the employee's average monthly earnings:

1. Start with the amount they earned in the tax year up to the day before they were furloughed.
2. Divide it by the number of days they've been employed since the start of the tax year – including non-working days (up to the day before they were furloughed or 5 April 2020 – whichever is earlier).
3. Multiply by the number of furlough days in this pay period.
4. Multiply by 80%.

Every day or period after the employee commenced employment with the employer is used in this calculation, including days when no work was undertaken.

The following example is provided:

Employee started work for A Ltd in 1 May 2019 and was placed on furlough on 23 March 2020, earning £15,000 between 1 May 2019 and 22 March 2020 inclusive. There are 327 days between 1 May 2019 and 22 March 2020. A Ltd is claiming for 23 March to 31 March 2020. There are 9 days between 23 March and 31 March.

1. Start with £15,000 (the amount they earned in the tax year up to the day before they were furloughed)
2. Divide it by 327 (the number of days from the start the tax year, up to the day before they were furloughed)
3. Multiply by 9 (the number of furlough days in this pay period)
4. Multiply by 80% - this is £330.28

Calculating employer National Insurance (NI) contributions to claim

Claims can be made for all or some of the Class 1 employer NI contributions paid on the gross pay grant that is paid to an employee.

If an employee's salary is topped up over the amount that will be covered by the grant, then the employer NI contributions on any additional top-up salary cannot be reclaimed through the scheme.

Calculating what you can claim

The total grant for employer NI contributions cannot exceed the total amount of employer NI contributions that are due to be paid.

When calculating the total employer NI contributions paid in any pay period, the employer should subtract any Employment Allowance used in that pay period. If there is no employer NI contribution to be paid as a result of the Employment Allowance in a pay period, then no claim should be made for any employer NI contribution costs for furloughed employees in that pay period.

If it is expected that any Employment Allowance will be exhausted in a pay period, then the lower of the employer NI contributions grant calculation, and the employer NI contributions costs that were paid, or are expected to be paid across an entire payroll should be claimed.

The total employer NI contributions due in a pay period should be apportioned on a daily basis, with the amount apportioned to any qualifying furlough days forming the basis of the amount that can be claimed through the scheme.

Calculating employer NI contributions if an employee is furloughed for a whole pay period, and their pay is not topped up

To calculate the amount of employer National Insurance contributions that can be claimed for:

1. Start with the grant figure being claimed for employee wages
2. Deduct the relevant secondary NI contributions threshold
3. Multiply this amount by 13.8%

Tax year	NI contributions thresholds
2019-20	£166 per week, £719 per month or £8,632 per year
2020-21	£169 per week, £732 per month or £8,788 per year

The following example is provided:

A Ltd pays employees on a calendar monthly basis. An employee was furloughed on 1 April 2020 is paid £1,500 of furlough pay on 30 April 2020. A Ltd did not top up the employee's pay.

1. Start with £1,500 (the grant you're claiming for employee's wages)
2. Minus £732 (the relevant secondary National Insurance contributions threshold)
3. Multiply this amount by 13.8% - this is £105.98
- 4.

The total amount of the grant that can be claimed for employer NI contributions is £105.98 for this employee. The company should adjust the amount for any Employment Allowance it might claim, if applicable.

Calculating employer NI contributions if an employee is not furloughed for the whole pay period or if their pay is topped up

Where a pay period covers both furloughed and working periods, or if an employee has their pay topped up over the amounts covered by the grant, the following steps will help to calculate the employer NI contributions that can be claimed for each employee.

1. The amount of pay minus the relevant National Insurance contributions secondary threshold
2. To calculate the employer National Insurance contributions due on an employee's total pay for the pay period, the result of Step 1 is multiplied by 13.8%.
3. Divide the amount of employer National Insurance contributions due for the pay period by the number of days in the pay period.
4. The grant is capped at the total amount of employers' National Insurance contributions due to be paid in respect of an employee. Multiply the result of Step 3 by the number of qualifying furlough days in the pay period.
5. Multiply the result of Step 4 by the proportion of pay received in respect of the qualifying furlough days that is funded by the grant.

The example provided for pay periods covering both furloughed and working periods is as follows:

An employee who is paid a fixed amount monthly agrees to be furloughed by A Ltd on 16 April 2020. The employee's gross pay at the end of the month is £2,160. This is made up of £1,200 of wages funded by A Ltd, in respect of 1 to 15 April (15 days), and £960 of pay wholly funded by a grant in respect of 16 to 30 April (15 days). The total employer NI contributions due for the pay period is apportioned on a daily basis to determine how much can be covered by a grant for employer NI contributions.

1. £2,160 minus £732 (the amount of pay minus the relevant National Insurance contributions secondary threshold)
2. Multiply by 13.8% (this gives you the amount of employer National Insurance contributions due on an employee's total pay for the pay period)
3. Divide by 30 (the number of days in the pay period)
4. Multiply by 15 (the number of furlough days in the pay period)
5. Multiply by 100% (because the employee's wage is not being topped up) - this is £98.53

A Ltd can claim £98.53 in respect of the employer NI contributions due on the employee's March pay. The total grant for employer NI contributions cannot exceed the total amount of employer NI contributions due to be paid. The example provided for employees who have their pay topped-up is as follows:

If A Ltd chooses to top up the same employee's pay to 100% during the period of furlough, the employer NI contributions must be apportioned between the pay funded by the grant and the pay funded by the employer. The employee's total pay in this example is £1,200 in respect of 1 to 15 April and £1,200 (made up of £960 grant-funded pay and £240 employer-funded pay) in respect of 16 to 30 April, totalling £2,400.

1. £2,400 minus £732 (the amount of pay minus the relevant NI contributions secondary threshold)
2. Multiply by 13.8% (this gives you the amount of employer NI contributions due on an employee's total pay for the pay period)
3. Divide by 30 (the number of days in the pay period)
4. Multiply by 15 (the number of furlough days in the pay period) Step
5. Multiply by £960 / £1,200 (this is the furlough pay received for the furlough period divided by the total pay received for the furlough period) - this equals £92.07

A Ltd can claim £92.07 in respect of the employer NI contributions due on the employee's March pay. The total grant for employer NI contributions cannot exceed the total amount of employer NI contributions due to be paid.

Claims where no employer NI contributions are due

If no employer NI contributions are due, then the amount of the grant towards employer NI contributions will be zero. This will be true where:

- Apprentices are under 25 (category H)
- Employees are under 21 (category M)
- Employees are under 21 and can defer NI because they're already paying it in another job (category Z)
- Employers whose employer National Insurance contributions bill is reduced to £0 by the Employment Allowance

Calculating employer's pension contributions to claim

Pension contributions will still need to be paid on behalf of employees, and these can be reclaimed up to the level of the mandatory employer contribution, even if it isn't for an auto-enrolment pension.

Claims cannot be made for any pension contributions if there are no contributions made or due to be made for an employee or for pension contributions made that are above the mandatory employer contribution.

To calculate how much can be claimed for employer's pension contributions:

1. Start with the amount being claimed for the employee's wages
2. Deduct the minimum amount the employee would have to earn in the claim period to qualify for employer pension contributions – this is £512 a month for periods before 5 April 2020, and £520 a month for periods after 6 April 2020.
3. Multiply by 3%.

Grants for pension contributions can be claimed up to this cap on the proviso that the employer pays the whole amount claimed to a pension scheme for the employee as an employer contribution.

Calculating employer pension contributions if an employee is furloughed for a whole pay period, and their pay is not topped up

The following example is provided:

A Ltd pays employees on a monthly basis. An employee was furloughed on 1 April 2020 and is paid £1,500 of furlough pay on 30 April 2020. A Ltd did not top up the employee's pay. A Ltd pays employer pension contributions into the employee's pension.

1. Start with £1,500 (this is the gross pay grant)
2. Deduct £520 (this is the Lower Level of Qualifying Earnings)
3. Multiply by 3% = £29.40

A Ltd can claim £29.40 towards employer contributions it makes into the employee's pension.

Calculating employer pension contributions where the employer makes contributions above the minimum level of contributions for an auto-enrolment pension

The following example is provided:

A salaried employee of A Ltd earns £2,125 per month, and is furloughed from 1 May 2020 to 31 May 2020. A Ltd has agreed to top up the employee's salary to its usual amount, including making employer pension contributions which are usually 3% of the employee's entire salary. The amount of gross pay grant is 80% of £2,125, which is £1,700.

The grant that can be claimed towards the employer pension contributions is the lower of the minimum level of contributions for an auto-enrolment pension, based on the furlough payment, and the amount actually paid by A Ltd. The minimum level of auto-enrolment contributions is:

1. Start with £1,700 (this is the gross pay grant)
2. Deduct £520 (this is the Lower Level of Qualifying Earnings)
3. Multiply by 3% = £35.40

The total employer pension contribution made by A Ltd under the terms of the pension scheme is the gross pay to the employee of £2,125 multiplied by 3%, which equals £63.75.

As A Ltd can only claim the lower of the minimum level of contributions for an auto-enrolment pension (based on the furlough payment) and the amount actually paid into the employee's pension, they can claim £35.40 to cover employer pension contributions.

Calculating employer pension contributions where the employee is furloughed during the pay period

If an employee is paid for a pay period in which not all days are furlough days then the Lower Level of Qualifying Earnings should be apportioned on a daily basis.

This example is given:

A Ltd pays employees on the last day of every month. A Ltd pays employer pension contributions into employees' pensions in line with the minimum level of contributions for an auto-enrolment pension.

An employee agrees to be furloughed from 16 April 2020.

Their April 2020 gross pay is £1,501.20. This is made up of £810 which they earned before being furloughed, and £691.20 of furlough pay.

The amount of the grant which A Ltd can claim towards their employer pension contributions is:

1. Start with £691.20 (this is the furlough pay)
2. Deduct £260 (this is a proportion of the Lower Level of Qualifying Earnings)
3. Multiply by 3% = £12.94

The minimum level of auto-enrolment pension contributions on the furlough pay is £12.94.

A Ltd can claim for the lower of £12.94 or the employer pension contributions due on the furlough pay under the terms of the pensions scheme in respect of the furlough pay.

The Lower Level of Qualifying Earnings in this example is calculated as £520 divided by 30 days (the number of days in April), and then multiplied by 15 days (the number of days that the employee is furloughed in April).

When claiming

Claims can only be made for periods when employees are on furlough.

Only one claim can be made during a claim period and this should be made shortly before payroll is run, when it is actually running or after the payroll has been run. All employees must be claimed for in each period at one time, and changes cannot be made.

Claims can be backdated from 1 March 2020 where employees have been furloughed from that date but a claim cannot start any earlier than the date the employee was first furloughed.

By making a claim, the agreement is made that:

- The grant received can only be used to pay employee salaries and the employer NI contributions and pension contributions that must be paid in relation to the salary paid to the employees
- Any grants will be returned to HMRC if it cannot be used or if any party is unwilling to use it to pay employee salaries and the associated employer NI and pension contributions

If these points cannot be accepted, then a claim must not be made.

After a claim has been made

HMRC will check the claim, and if the claimant is eligible, it will be paid out by BACS to a UK bank account. Employers must not enter into any transaction with the worker that reduces the wages below this amount, including any administration charges, fees or other costs in connection with the employment.

Back to [Contents](#)

HMRC's step by step guide for employers: Coronavirus Job Retention Scheme

20 April 2020

HMRC has released a [step by step guide to](#) assist employers in making a claim through the Coronavirus Job Retention Scheme (CJRS), and describes the processes involved

The guide is comprehensive and brings all of the information previously published together into one consolidated document.

Grants will be paid within six working days of claims being submitted, but employers should not contact HMRC unless absolutely necessary. Any crucial queries should be directed to agents, representatives or HMRC's webchat service. HMRC does not have the facility to answer questions raised by employees, who will need to raise any queries they may have directly with their employers.

In order to make a claim, claimants will need the following before 20 April 2020:

- a Government Gateway (GG) ID and password. Claimants who do not already have a GG account can apply for one online [here](#), or by accessing the [Gov.UK](#) pages and searching for 'HMRC services: sign in or register'
- Claimants must be enrolled for PAYE online. Claimants who aren't yet registered can register [here](#), or by heading to [Gov.UK](#) and searching for 'PAYE Online for employers'

Claimants will also need the following information for each furloughed employee that they are making a claim for:

- Name
- National Insurance (NI) number
- Claim period and claim amount
- PAYE / employee number (not mandatory)

As previously confirmed, if a claim includes fewer than 100 furloughed staff, information will need to be input directly into the system for each employee. If, however, the claim includes 100 or more staff, then a file will need to be uploaded into the system containing all the details of furloughed employees. The file will need to be in .xls, .xlsx, .csv or .ods format.

Agents who are authorised to act for other companies on PAYE matters can make the claim on behalf of their clients using their ID and password, and will need to confirm with their clients which bank account they would like the grants to be paid into. Similarly, if a company usually uses an agent, they do not have to allow the agent to make the claim but can make it themselves if they wish.

The claim can only be made online and the system has been designed to make it simple to use. Support will be made available on Gov.UK, and will include guidance on how to calculate the amounts that can be claimed. All records and calculations in respect of claims should be retained.

Back to [Contents](#)

Coronavirus Job Retention Scheme online service launched

20 April 2020

The online service through which companies can claim for furloughed employees under the Coronavirus Job Retention Scheme (CJRS) is now live and can be accessed [here](#).

Prior to accessing the service, there is a reminder to check that [employers are only claiming for employees that are eligible for furlough](#), and also to [calculate how much they are entitled to claim](#).

As previously confirmed, anyone making a claim will need:

- To be registered for PAYE online
- A UK bank account number and sort code
- An employer PAYE scheme reference number
- The number of employees placed on furlough
- Each employee's National Insurance (NI) number
- Each employee's payroll or employee number
- The start and end date of the claim
- The full amount of the claim, inclusive of employer NI contributions and employer minimum pension contributions
- Contact phone number

There will also be the requirement to provide either:

- A Corporation Tax unique taxpayer reference
- A Self Assessment unique taxpayer reference
- A company registration number

Claimants who are making claims for more than 100 employees on furlough, will need to upload a file containing each employee's full name, NI number, furlough start date, furlough end date (if known) and the full amount claimed. Employee's payroll number is optional. The upload file must be in either .xls, .xlsx, .csv or .ods format.

Claimants will also need the Government Gateway user ID and password they received upon registering for PAYE online.

There is a warning that the service may be slow during busy times. Claimants should check if there are any known issues with the service if they [experience technical difficulties](#).

Once the claim has been completed, a claim reference number will be generated. HMRC will check that the claim is correct and pay the amount by BACS into the nominated bank account within six working days.

Claimants must:

- Retain a copy of the claim reference number
- Retain a copy of calculations in case HMRC requires more information about the claim
- Inform employees that a claim has been made and that they do not need to take any action
- Pay employees their wages, if this has not already been done

Claimants should not contact HMRC unless it has been over ten working days since the claim was made and the funds have not been received. HMRC is receiving a very high number of calls and contacting HMRC unnecessarily puts essential public services at risk during these challenging times.

CIPP comment

The CIPP is eager to hear feedback from its members relating to their experience of using the Coronavirus Job Retention Scheme online claim service.

All feedback is encouraged and welcomed, so please send any of your thoughts and reflections to Policy@cipp.org.uk with "CJRS user experience" as the title.

Back to [Contents](#)

Online calculator for use with calculating CJRS claims available

20 April 2020

HMRC has added a calculator that can be used to work out what can be claimed for the majority of employees who are paid the same amount each pay period – for example, weekly or monthly paid employees. It can be accessed [here](#).

There are some exceptions to this, including if employees:

- Receive top-up pay in the claim period
- Returned from statutory leave, such as maternity leave, in the last three months
- Receive director's payments
- Have been transferred under TUPE
- Have been employed at separate times throughout the year
- Receive employer pension contributions outside of an auto-enrolment pension scheme

The calculator is aimed at organisations with a small number of employees to assist them in working out figures that can be claimed. It will help with the calculation of:

- Gross amount to be paid to a furloughed employee

- Employer National Insurance (NI) contributions
- Employer minimum auto-enrolment pension costs

It will also provide a breakdown of the calculations for each pay period. The figures are given per employee, for the claim period that has been specified. The calculator should be run separately for each employee that is being claimed for, and the claimant should total the results.

Claimants will require:

- Start date of claim
- End date of claim
- Employee's pay dates
- End dates of the periods of time they are paid for
- How much they are paid, prior to deductions
- When their furlough started (and ended, if applicable)
- Their NI category letter
-

If the calculator cannot be used, claimants will need to calculate what can be claimed manually using [guidance](#) or by seeking professional advice.

At the time of publication, HMRC has confirmed that it will continue to improve its online services regularly and will enhance the calculator so that it includes a wider range of scenarios as soon as possible.

There is a reminder that it is the claimant's responsibility to check that the amount that they are claiming for is correct.

Back to [Contents](#)

Reporting Coronavirus Job Retention Scheme fraud and being alert to scams

21 April 2020

Unfortunately, the coronavirus crisis is allowing fraudsters to thrive, whether that be through abuse of the Coronavirus Job Retention Scheme (CJRS) or through creating scams that target the most vulnerable during these unprecedented times.

Coronavirus Job Retention Scheme fraud

HMRC has appealed to employees to encourage them to report their concerns if they are in any way worried that an employer is abusing the CJRS.

In [employee guidance](#), there is a link to the '[report fraud to HMRC](#)' page, where individuals can report those concerns. The CJRS forms part of a collective national effort to protect people's jobs, and employees can play a crucial role by reporting fraudulent claims to HMRC. Fraudulent claims put the provision of public services and protection of livelihoods at risk. The money has been generated by UK taxpayers and should not be abused by unscrupulous employers.

Employees should also report their employers if they are claiming on their behalf and not paying them what they're entitled to. Similarly, if employers are asking employees to work while they're on furlough or attempting to make backdated claims that include periods in which the employee was working, this should also be reported.

There is also a reminder in [employer guidance](#) that HMRC will check claims that are made through the scheme, and that payments may be withheld if the claim is based on dishonest or inaccurate information or found to be fraudulent. Employers will also be required to repay the amounts in full if fraud is detected at a later date.

Coronavirus scams

Texts and emails are being circulated which offer recipients false financial support or tax refunds, sometimes threatening them with arrest if they don't pay tax which they supposedly owe immediately. Scammers are also targeting people through phone calls.

HMRC has published a wealth of information to protect people from these scams, including how to [recognise genuine HMRC contact](#), [how to avoid and report scams](#) and [examples of phishing emails and bogus HMRC contact](#). Any emails purporting to be from HMRC that look suspicious should be forwarded on to phishing@hmrc.gov.uk, and any dubious text messages sent to 60599.

Individuals who are victims of scams should contact their bank as soon as possible, and report it to [Action Fraud](#).

[Back to Contents](#)

TPR guidance on calculating pension contributions where there is a salary sacrifice arrangement for the CJRS

21 April 2020

The Pensions Regulator (TPR) has published [detailed technical guidance](#), aimed primarily at larger employers, which will assist in understanding the interaction between the calculation of normal pension contributions and pension contributions that can be claimed under the Coronavirus Job Retention Scheme (CJRS). The guidance relates specifically to pension contributions where there is a salary sacrifice arrangement.

The grant available under the CJRS does not alter an employer's usual pension contribution payment obligations or processes, and when calculating the pension contribution due for a furloughed worker who has a salary sacrifice arrangement for pension contributions in place, contractual obligations and pension scheme rules will continue to apply as normal.

However, as the rules relating to the CJRS stipulate that all of the grant claimed must be paid to a furloughed worker in the form of money, this could potentially mean that, where a salary sacrifice arrangement is in place for pensions, an employer will need to amend its payroll processes to calculate the pension contribution to be paid to the pension scheme under the pension scheme rules.

Salary sacrifice arrangements are contractual agreements between staff members and their employers, where staff agree to forfeit a portion of their salary in return for a benefit, such as a pension contribution, made by the employer. Contracts of employment are amended to reflect any salary sacrifice arrangements.

In salary sacrifice arrangements, pension scheme rules usually mean that the obligation is on the employer to pay the total employee and employer contributions, however they are calculated. In many cases, the scheme rules will define pensionable pay as the notional pre-sacrifice pay. The amount the staff member sacrifices is paid across to the pension scheme as part of the overall employer contribution, and there is no obligation on the member of staff to contribute.

The amount the individual has agreed to sacrifice for pension may appear on payroll as an employee pension contribution, but it is imperative to remember that the obligation in the pension scheme rules is for the employer to pay the total contribution and under the pension scheme rules there is no requirement on the individual to pay a pension contribution.

CJRS guidance maintains that when calculating 80% of a furloughed worker's pay, the reference salary to use is the amount after the salary has been sacrificed. All of the grant received must be paid to employees in some form of money, and the pay during the furlough period should be treated as the post-sacrifice pay so no further sacrifice is made on that amount.

There is a clear distinction between what employers can reclaim through the grant and what can be paid in relation to the employee. Any contractual obligations that have been entered into must continue to apply as normal.

If, as a result of contractual arrangement, pay cannot be reduced, employers will need to continue to pay their furloughed workers full pay and calculate pension contributions and the salary sacrifice element as usual on this pay. In these scenarios, a grant can only be claimed under the CJRS to cover the lower of 80% furloughed workers pay or

£2,500 per month and the employer's pension contribution up to the level of the Automatic Enrolment (AE) statutory minimum employer contribution.

The guidance provides five illustrative examples, which discuss a variety of scenarios and are each very technical in nature. It would be advisable to familiarise yourself with the guidance if you operate a salary sacrifice scheme and have placed employees on furlough.

TPR also reiterates previous guidance that COVID-19 is classed as a life event, meaning that the terms of a salary sacrifice arrangement could be changed, as long as the relevant employment contract is update accordingly with agreement, as a result of coronavirus. However, any changes made to salary sacrifice arrangement from 19 March 2020 will not affect the calculation of the reference wage for the purposes of CJRS, as the calculation is based on the furloughed worker's last pay period prior to 19 March 2020.

Back to [Contents](#)

CIPP Quick Poll: Coronavirus Job Retention Scheme online service

22 April 2020

Following the launch of the online portal for employers to make claims relating to the Coronavirus Job Retention Scheme on 20 April 2020, the CIPP has launched a [Quick Poll](#) to assess the usability of the service.

The [Quick Poll](#) will take less than a minute to answer, and will give the CIPP an insight into how complex or simple the scheme is to access and use.

Respond to the CIPP's [Quick Poll](#) and give your opinion on whether you found submitting a claim through the Coronavirus Job Retention Scheme easy to do, or not.

Back to [Contents](#)

The effect of COVID-19 lockdown on job vacancy levels

22 April 2020

The Institute for Employment Studies (IES) has published a [briefing paper](#) which investigates how vacancy levels have altered across different local areas and various job types.

Analysis sourced from the UK job search engine Adzuna highlights the fact that job vacancies have fallen by 42% since the coronavirus lockdown commenced in March 2020. This is the largest monthly fall in at least twenty years.

The paper is the first in a series which will explore the effect COVID-19 has had, and will have, on vacancies. On 15 March 2020, Adzuna listed 820,000 UK vacancies which decreased significantly to 475,000 by 12 April 2020. The drop is two and a half times larger than the previous largest single monthly fall recorded in official vacancy statistics. This was in November 2008, at the height of the last recession, when job vacancy numbers dropped by 17%.

The analysis at regional level, which includes the three devolved nations, shows that the largest falls in vacancy levels have been in Scotland (49% decrease) and London (44% decrease).

Generally, vacancy levels began to decline in the week ending 15 March 2020 and then fell rapidly in the week ending 29 March 2020. In Wales and Northern Ireland, however, vacancies have fallen more consistently since the start of March. Across all regions and nations, vacancy levels have largely stabilised during April, but are now at levels between 30% and 50% lower than they were prior to the outbreak of coronavirus.

Interestingly, data reveals that the differences within regions are greater than the differences between them, and ten local areas have witnessed vacancies fall by 50% or more, including:

- Two areas in the North West of England – Blackpool with the largest single monthly fall of 69%, and Trafford, in Greater Manchester, with a fall of 51%

- Five areas in Scotland - inclusive of Edinburgh, falling 50%
- Two areas in the South West of England – inclusive of Devon, falling 53%
- South East London, down by 50%

Conversely, fifteen local authorities have observed a decrease to vacancy levels of less than 30%:

- Five areas in the North West – Blackburn with Darwen, Oldham, Bury, Tameside and Bolton - all falling between 23% and 28%
- Five in the North East – Harlepool, Darlington, Middlesbrough, Redcar and Cleveland, and North Tyneside - all falling between 18% and 27%
- Monmouthshire and Newport in Wales, falling 28%
- Rutland in the East Midlands, down by 27%
- Two areas in the South East - East Sussex (15%) and the Isle of Wight (2%)
- Rotherham in Yorkshire and Humberside, which saw a decrease in vacancies of just 4%

The paper also explores changes in vacancies in relation to high level 'job types'. Jobs are categorised into one of 27 groups, and the key findings are as follows:

- Unsurprisingly, the largest single fall has been in hospitality and catering jobs, which were down by 70%
- Vacancies in sales, administration, public relations, consulting, HR and recruitment, energy and charity work have also fallen steeply, by 60%
- In terms of figures, IT vacancies are down by 44,000, sales vacancies by 43,000, accounting and finance vacancies by 37,000 and engineering vacancies by 35,000

The conclusions drawn from the analysis are that the impacts of coronavirus on job vacancies are substantially greater than anything observed in at least a generation. The outbreak is affecting job availability in nearly all parts of the country and all sections of the economy but is having particular effect on those working in restaurants and non-food retail. Many professional occupations are also being impacted.

On a positive note, there are still roughly half a million current live vacancies, which has stabilised over the last two weeks, so there are still jobs available for those who are seeking employment. If lockdown is eased during May and June, then vacancies are expected to rise again, but there is a precautionary note that lockdown should only be eased when it is appropriate to do so, as easing it too early risks far greater economic damage. The IES intends to monitor job vacancy data over the coming weeks and months and will publish its findings in due course.

Back to [Contents](#)

Updates to Coronavirus Job Retention Scheme Guidance -23.04.2020

24 April 2020

The guidance relating to the Coronavirus Job Retention Scheme (CJRS) has been updated once again, and a significant amount of information was added to the various pages available last night.

In addition to this, a brand new guide was published – '[Reporting payments in PAYE Real Time Information from the Coronavirus Job Retention Scheme](#)'. See the CIPP's [news article](#) for further details.

Further updates were made to the '[Claim for wages through the Coronavirus Job Retention Scheme](#)' page in relation to using an agent for PAYE online.

Agents authorised to deal with PAYE online for their clients are also able to claim through the CJRS on their behalf.

For employers who would like to use an agent, but who do not have one that is authorised to do PAYE online for them, employers can grant the relevant access by heading to the 'Manage Account' section within their [HMRC online services](#) account. Agents must be enrolled in PAYE online for employers to do this and will need to provide their agent ID. Agents can access this from their HMRC online service for agents account, by selecting 'Authorise Client'.

Employers can remove this level of authorisation from their agent if they do not want it to continue once the agent has submitted their claim or claims.

Employers will need to confirm with their agent which bank account they would like the grant(s) to be paid into.

The guide on how to '[Work out 80% of your employees' wages to claim through the Coronavirus Job Retention Scheme](#)' was updated with further information specifically related to 'how to claim'.

There is a reminder to employers that they must only claim for periods when their employee(s) were on furlough.

Employers must decide on the length of the claim period but should consider how frequently they run their payroll. The length of claim period will vary for different employers.

No more than one claim can be made during a claim period; therefore, all furloughed employees should be included for that claim period. This is because employers will not be able to make another claim for the same period or one that overlaps.

Employers must claim for all employees in each period at one time, and changes cannot be made. Once a claim has been submitted, it cannot be amended but HMRC are developing a process to allow for changes to be made.

Employers can make their claim in anticipation of a payroll run, at the point that they run their payroll or once payroll has been run. Claims can be backdated from 1 March 2020 if employees were already furloughed at that point, but a claim cannot start any earlier than the date employee(s) were first furloughed.

Employers must pay the full amount they have claimed for their employee out to that employee, even if the company is in administration. If an employer is not able to do so, they will be required to repay the money to HMRC. This also applies to employer National Insurance (NI) contributions and employer pension contributions claimed for furloughed employee(s). When making a claim, employers are agreeing that:

- The grant they receive can only be used to pay employee(s) salary and the employer NI contributions and employer pension contributions relating to that salary
- They will immediately return any grants to HMRC if they are unwilling or unable to use it for the purposes of paying employee(s) salary and employer NI and pension contributions

Employers should only proceed with making a claim if they accept these conditions.

Both the [employer](#) and [employee](#) guidance pages have been updated. The guidance confirms that a collective agreement reached between an employer and a trade union, in relation to employees being placed on furlough, is acceptable for the purpose of an employer claiming through the CJRS.

Further information about fixed-term contracts has also been provided. Employers can re-employ, furlough and claim for employees on fixed-term contracts if their contract expired after 28 February 2020 and a Real Time Information (RTI) payment submission was sent to HMRC on or before 28 February 2020, or if their contract expired by 19 March 2020 and an RTI payment submission was sent to HMRC on or before 19 March 2020.

If a fixed-term contract has not already expired, employers can opt to extend or renew it. Employers can claim for employees where an RTI payment submission was sent to HMRC on or before 19 March 2020.

If the same contract started and ended between 28 February 2020 and 19 March 2020, then the employee on this contract would not qualify for the CJRS. This is not only applicable to those on fixed-term contracts, but to all other types of contract as well.

Back to [Contents](#)

HMRC provides further clarity in relation to National Insurance numbers and furloughed employees

24 April 2020

Many payroll professionals have raised questions relating to what happens in the scenario where a furloughed employee does not have a National Insurance (NI) number, but their employer wishes to make a claim for them under the Coronavirus Job Retention Scheme (CJRS).

The [online claim portal](#) requires employers to provide the NI numbers for furloughed employees they are submitting a claim for, and HMRC's Customer Engagement Team has confirmed the process for claimants when one or more furloughed employees do not have NI numbers.

Employees may not have an NI number if they are under the age of 16 or if they are a non-UK national. Ordinarily, individuals can apply for an NI number, but cannot at present, due to the coronavirus outbreak. Individuals who have a biometric residence permit (BRP) may already have an NI number, which will be printed on the back of their BRP if applicable.

Employee has an NI number, but the employer does not know it

If an employee has an NI number but the employer does not know what it is, the employer should make attempts to find out what that number is by using the Real Time Information (RTI) NI number Verification Request submission if appropriate.

Employee does not have an NI number

If an employer has less than 100 furloughed staff, but one or more of them does not have an NI number, they should contact the COVID-19 Helpline on 0800 024 1222, and their claim can be processed over the phone.

Employers with 100 or more furloughed employees should provide a payroll or employee reference number for any employee without an NI number within the file that they upload to the portal.

Back to [Contents](#)

How and when to report payments to HMRC made to employees under the Coronavirus Job Retention Scheme

24 April 2020

HMRC has published [guidance](#) which explains how and when to report payments for employees under the Coronavirus Job Retention Scheme (CJRS) to HMRC using the PAYE Real Time Information system.

Employers using the grant to pay employees

There is a reminder to employers that any grant that is paid out to them under the CJRS must be used to pay wages to furloughed employees, and that this pay should be treated in line with any other wage payments in terms of payroll deductions, such as Income Tax and National Insurance (NI).

Employees should be paid on their contractual pay date to ensure that there are no implications for employees who receive Universal Credit.

Grants should be reported to HMRC via Real Time Information (RTI) through payroll software, on or before the date that it is paid to employees, in alignment with the process for a standard pay day,

Employers using the grant to reimburse wages they have already paid out to employees

If employers are using the grant to reimburse wages that they have already paid out to employees, there is no requirement to send another Full Payment Submission (FPS) for this amount. The grant is reimbursing wages already paid out and reported via payroll so there is no need for a further FPS to be sent.

Employers making no wage payments in a tax month

If an employer has not paid employees any wage payments in a tax month, then they must submit an Employer Payment Submission (EPS) to confirm this fact. The EPS needs to be sent no later than 19th of the following tax month if possible.

Employers paying employees 20% of wage until they receive the grant

For employers who have only paid employees 20% of their normal wage until they receive the grant then they must operate PAYE and deduct any tax and NI contributions due on the reduced payment amounts, and report them to HMRC by FPS on or before the payment date.

An FPS must not be submitted reporting the full payments that an employer expects to make but have not yet made.

When the employer receives the grant payment and pays employees their wages, they must send the FPS showing the payment that was made.

Employers who reported wages to HMRC in March 2020 that were not paid out to employees

An FPS must only include wages that have actually been paid to employees.

Employers who have reported wages to HMRC in March 2020 that were not paid out to employees will need to submit an Earlier Year Update (EYU) or a closed year FPS to reflect what was paid in wages. When they receive the grant, they should pay employees on the contractual payment date for the current tax month. A 2020-21 FPS should be submitted on or before the date that payments are made to employees.

Employers who pay the full amount of an employee's normal wage but only reclaim 80%

Employers who opt to top-up employee wages above the 80% scheme cannot claim the topped-up amounts back from HMRC. Tax and NI must be deducted on the full amount paid, and the payment must be reported via FPS on or before the pay date.

When the grant is paid by HMRC it will reimburse wages already paid, but employers do not need to make another FPS for this amount.

Employers who have not paid anything to employees for March or April

If employers are making a payment for both March and April in employee wages for April, they must deduct tax and NI on that full amount. Payments must not be backdated to March as if they were paid in March.

Employers who have paid employees and submitted information via RTI early

Employers should continue to pay their employees on their contractual payment date and submit the FPS on or before the date that they make the payment, to avoid affecting employees who receive Universal Credit.

Back to [Contents](#)

Furloughed employees, intending to take paid parental or adoption leave, are entitled to statutory pay based on usual earnings

27 April 2020

Any workers who are planning to take paid parental or adoption leave will be entitled to pay calculated based on their normal earnings, as opposed to their pay during furlough.

The Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Work and Pensions (DWP) confirmed in a press release that full earnings will be used for Maternity Pay, Shared Parental Pay, Parental Bereavement Pay and Adoption Pay. This will ensure that any workers who are about to take family-related leave are not being penalised by the fact that they have been placed on furlough.

Ordinarily, entitlement to Statutory Maternity Pay (SMP), and other forms of Parental and Adoption Pay are calculated using an individual's Average Weekly Earnings (AWE) over an eight-week period. Entitlement to, and the amount of, Maternity Allowance (MA) that is paid out is also dictated by earnings over a 13-week period.

A statutory instrument that was laid before Parliament allows employees who take a period of family-related pay, that commences on or after 25 April 2020, to be assessed on the basis of their full, usual pay as opposed to on the furloughed amount.

The changes have been implemented to ensure that those who take time off work following the birth, adoption or death of a child will not see their entitlement to statutory pay impacted by the outbreak of coronavirus.

Paul Scully, Business Minister, commented:

“Maternity and other forms of parental leave are pivotal times in people’s lives, and they should absolutely be protected from the impacts of COVID-19.

We are supporting workers and businesses in a way never seen before, in response to the unprecedented effects of COVID-19. These measures will ensure those on the Coronavirus Job Retention Scheme continue to receive the parental leave and pay they are entitled to.”

Lords Minister for the DWP, Baroness Stedman-Scott, said:

“At an already challenging time for families, peace of mind that they can rightly take time off and receive their full entitlement will provide much needed reassurance.

Throughout this health emergency we’ve taken unprecedented steps to help those affected make ends meet, and today’s new measures further extend vital financial support.”

Back to [Contents](#)

Guidance for calculating statutory parental pay for furloughed employees

28 April 2020

HMRC has published guidance that advises employers how to calculate Average Weekly Earnings (AWE) for statutory payments for furloughed employees due to take periods of family-related leave on or after 25 April 2020.

Updates have been made to guidance relating to the calculation of [Statutory Adoption Pay \(SAP\)](#), [Statutory Maternity Pay \(SMP\)](#), [Statutory Paternity Pay \(SPP\)](#), [Statutory Shared Parental Pay \(ShPP\)](#) and [Statutory Parental Bereavement Pay \(SPBP\)](#), in instances where employees have been placed on furlough.

The fundamental difference for employees who are on furlough and commencing a period of family-related leave, who have been paid under the Coronavirus Job Retention Scheme (CJRS), is that instead of using the standard calculation for AWE, a different method should be operated. This is to ensure that those furloughed individuals taking a period of family-related leave are not penalised for being on furlough and therefore, are not negatively impacted by COVID-19.

Ordinarily, an employer would base an employee’s eligibility for statutory parental payments on the average of earnings they had actually received. However, if part of the eight week period used to calculate AWE and establish eligibility and pay figures included payments that were subject to the furlough rules, and paid at 80% of normal pay, then the employer would use the higher of either:

- What the employee actually received from their employer
- What the employee would have received from their employer, if they had not been on furlough

If an employer is unsure what the employee would have received, then the guidance suggests using the reference salary originally used to determine how much an employer could claim through the CJRS. Employers should also include any payments that the employee was due to receive in the relevant period, including bonus and commission payments.

If an employer is claiming the employee’s wages through the CJRS but has been topping up pay to their normal rate, and paying for that amount themselves, then there is no need to adjust the calculation for AWE. Similarly, if an employer and employee reached an agreement relating to a reduction in pay outside of the CJRS as a result of the coronavirus crisis, then no changes would be made for the purposes of calculating AWE.

Back to [Contents](#)

Update to guidance on claiming for wages through the Coronavirus Job Retention Scheme

29 April 2020

[Guidance](#) relating to how to claim wages through the Coronavirus Job Retention Scheme (CJRS) has been updated to provide further assistance to those making claims for 100 or more furloughed staff.

Employers claiming for 100 or more furloughed staff need to upload a file with certain employee details, which are: their full name, National Insurance (NI) number, payroll number (optional), furlough start date, furlough end date (if known) and the full amount of the claim. The update to guidance confirms that claimants should provide only this information, and any additional but equally, any missing information may result in delayed payment or mean that the claimant is required to provide the information again.

One line should be submitted per employee for the whole period. Calculations should not be broken up into multiple periods within the claim. Data should not be split according to contract type, and the file must be uploaded in either .xls, .xlsx, .csv or .ods format.

The guidance also confirms that employers must only provide details for a bank account that accepts BACS payments for their grant to be paid into.

Back to [Contents](#)

Latest publications of guidance on Coronavirus Job Retention Scheme

1 May 2020

The latest employer and employee guidance updates from GOV.UK cover a variety of subjects that include confirmation on annual payments for company directors.

Make time to familiarise yourself with all content of the latest guidance to be found in:

[Employee Guidance](#)

Whilst on furlough, the employee guidance confirms that the employee may still continue to undertake union or non-union representative duties and activities for the purpose of an individual or collective representation of employees or other workers.

However work must not be carried out that provides services to generate revenue for, or on behalf of, their organisation or a linked organisation.

[Work out 80% - employer guidance](#)

The daily maximum rates for June have been added to this guidance which is £83.34 per day.

[Check if you can claim - employer guidance](#)

Company Directors with an annual pay period.

There are been many questions asked about this subject and many rumours circulating as to whether they count for the purposes of Furlough grant calculations , guidance has been updated and now confirms for:

Those paid annually are eligible to claim, as long as they meet the relevant conditions. This includes being notified to HMRC on an RTI submission on or before 19 March 2020, which relates to a payment of earnings in the 19/20 tax year. The requirement for there to be payment of earnings in the 19/20 tax year applies for any employee being claimed for under the scheme, irrespective of how frequently they are paid (e.g. weekly, fortnightly or monthly). This will be relevant for those on an annual pay period if the last payment notified to RTI was before 5 April 2019 and no further payments were notified until after 19 March 2020.

An employer can make their claim in anticipation of an imminent payroll run, at the point they run their payroll or after they have run their payroll.

[Claim for – employer guidance](#)

If you are putting in a claim for less than 100 furloughed employees you will be unable to upload a file instead you will input the data manually. This guidance has been updated in recognition that you may be missing National Insurance Numbers for one or more employees, where this is the case the guidance confirms that you will need to make contact with HMRC.

The CJRS [calculator](#) cannot be used where employees:

- Receive any top-up pay in the claim period
- Returned from statutory leave such as maternity leave in the last three months
- Get director's payments
- Have been transferred under TUPE
- Have been employed at separate times throughout the year
- Receive employer pension contributions outside of an auto-enrolment pension scheme
- Receive any discretionary payments in the pay periods you are claiming for
- Have an annual pay period

Back to [Contents](#)

Incorrect refusal of Coronavirus Job Retention Scheme Support

4 May 2020

HMRC has released [Insolvency Guidance](#) which confirms that, claims relating to the Coronavirus Job Retention Scheme (CJRS) which have been rejected because the claimant is in arrears with their tax liabilities, should not have been rejected.

HMRC has been notified that there have been instances where claims relating to the CJRS have been rejected because the employer submitting the claim was in arrears with some of their tax liabilities. HMRC has apologised and stated that this should not have happened.

The instruction for any employers who have had their claim rejected, is to re-apply. Relevant guidance has been updated, and HMRC staff have been informed, to ensure that this situation does not arise again.

Back to [Contents](#)

Updates to Coronavirus Job Retention Scheme guidance – 14.05.2020

15 May 2020

New information relating to the Coronavirus Job Retention Scheme (CJRS) has been added to various guides created by HMRC.

There has been updates to the [guidance](#) for employers on how to calculate claims.

Non-discretionary payments and non-discretionary overtime payments

There is additional information relating to non-discretionary payments and non-discretionary overtime payments. When establishing if a payment is non-discretionary, only payments which employers have a contractual obligation to pay, to which an employee has an enforceable right, should be included. If variable payments are included within a contract, and those payments are made regularly, these payments could become classed as being non-discretionary. Those payments should also be included when calculating 80% of employee wages.

For the purposes of non-discretionary overtime payments, if an employee has been paid variable payments as a result of working overtime, they can be included provided that they were non-discretionary. Payments for overtime are non-discretionary if an employer has an obligation to pay the employee at a set, defined rate for any overtime they have worked.

Claim periods

Further guidance has been provided on what periods a claim should cover, and how far in advance claims can be made.

Claimants should decide the length of the claim period, and should consider how often they run their payroll, e.g. weekly/ monthly/ two-weekly etc. Different claimants will operate different payroll frequencies.

Claimants should not make more than one claim during a claim period – this will mean that they should include all employees they want to furlough for the claim period as they will not be able to submit another claim for the same period or one that overlaps. Claim periods should follow on from one another where employees are continuously furloughed, with no gaps in between.

Claims may be made prior to an imminent payroll run, at the point at which payroll is run or after the payroll has been run. Claim periods can be backdated from 1 March 2020 but only if employees have been furloughed from that date – the claim period must not start prior to the date that the first employee was furloughed, and grants may only be claimed for employees for the time they were furloughed.

The claim end date must be no more than 14 days in the future from the date the claim is made, and any claim period must contain all the furloughed days that the claim amount relates to.

Separate guidance – [‘Claim for wages through the Coronavirus Job Retention Scheme’](#) – has also been updated.

Record keeping

There is clarification that records must be kept for a minimum of six years, including the amount claimed and claim period for each employee, the claim reference number and any calculations, in case HMRC requires further information relating to any claims.

Missing National Insurance numbers

There is also confirmation that claimants can [search](#) for an employee’s National Insurance (NI) number if they do not have it, but alternatively they should contact HMRC if the employee does not have an NI number.

Extension to the Coronavirus Job Retention Scheme

Both the [employee](#) and the [employer](#) guidance has been updated to reflect Rishi Sunak’s announcement on 12 May 2020 that the CJRS would be extended until the end of October 2020. The scheme will continue to pay grants of 80% of employee pay up to a cap of £2,500 per month until the end of July 2020, but from August 2020, there will be more flexibility and employers will be able to bring their workers back to work on a part-time basis. We await further guidance on this which should be available by the end of May 2020.

Furloughed employees and volunteering

There is also additional information relating to where employees carry out volunteer work which confirms that employees are allowed to take part in volunteer work, as long as it does not provide services to, or generate revenue for, or on behalf, of the business they are being furloughed in, or any associated organisation. Employers must not furlough employees and then request them to volunteer for them in the same or a different role.

New guides

Information within the employer guidance relating to employees that they can claim for has been moved to a new page – [‘Check which employees you can put on furlough to use the Coronavirus Job Retention Scheme’](#).

Examples of how to perform calculations have also been moved to a new guide – [‘Find examples to help you work out 80% of your employees’ wages’](#)

Reports of 'Furlough Fraud' on the rise

28 May 2020

It has been reported that floods of employees are expressing their concern that their employers are fraudulently processing furlough claims. As has been previously noted, HMRC are encouraging employees to report employers who they feel are claiming through the CJRS portal when they should not be.

One of the key conditions of CJRS is that an employee cannot undertake any work for their employer if they have been placed on furlough. Reports from employees suggest that some employers are claiming back via the CJRS when they should not be doing so.

The whistle blowing charity, Protect, has [reported](#) that they have seen an influx of claims involving employers exploiting the CJRS, with some asking employees to return to work voluntarily, whilst others claiming CJRS without the employee's knowledge. When employees have challenged their employers, dismissal and victimisation are just some of the consequences for doing so.

HMRC's Chief Executive Jim Harra advised "Any scheme like this is a target for organised crime. Any scheme that pays out I'm afraid attracts criminals that want to defraud it and people that are genuinely entitled to it who inflate their claims."

HMRC positively encourage employees to report any instances where they feel that their employer is not acting in line with the guidance. To assist with this, HMRC set up a dedicated [hotline](#) for employees to report employers who are abusing the scheme. In early May, HMRC reported that they were dealing with over 800 reports of abuse to the scheme.

When an employee is furloughed

When an employee is placed on furlough, employers cannot ask that employee to do any work that:

- Makes money for their employer organisation or any other organisation which is either linked or associated with the organisation that has placed them on furlough
- Provides a service for their employer organisation or any other organisation which is either linked or associated with the organisation that has placed them on furlough

An employee can however:

- Take part in training
- Volunteer for another organisation
- Take up employment with an organisation (whereby the employment contract allows them)

Back to [Contents](#)

Latest CJRS claim figures

28 May 2020

Furlough, a term which had rarely been used within the UK payroll industry, is now possibly one of the most frequently used terms.

In April 2020, the chancellor Rishi Sunak, spoke to the UK, offering a package which would result in millions of UK workers to continue in employment and receive 80% (capped at £2,500 per month) of their usual pay on the proviso that they were furloughed.

Qualifying employers who placed their employees on furlough, would be able to access the Coronavirus Job Retention Scheme (CJRS) and claim back a grant which would cover the cost of this, as well as the associated National

Insurance Contributions (NICs) and pension costs (where applicable). The scheme – which by all reports has been considered a success - went live on 20 April with employers receiving their grants 6 days later. 27 May 2020, the [BBC](#) reported that 8.4 million workers are now covered by the CJRS, with the claim costs rising to £15 billion.

On 13 May 2020, the Self Employment Income Support Scheme (SEISS) was launched with 2.3 million eligible workers making claims, worth £6.8 billion. This scheme differs in many ways from CJRS and furlough, however regarding the grant, those that make the claim are paid in a single instalment which covers three months and amounts to the average monthly profits on the previous tax years. But just like the CJRS grant, it equates to 80% of those profits, capped at £2,500 per month.

When the CJRS was announced, it was only intended to last until the end of May 2020, covering a three-month period. It was later extended to June 2020, however in recent weeks, Chancellor Rishi Sunak, announced that the scheme will now run until October 2020. He confirmed that the scheme will continue to provide the same level of earnings, however, from August 2020, government will be asking those that claim to 'start sharing' the cost of the scheme. The current rules around furlough and current guidance will remain unchanged until this point.

We currently wait in anticipation of further news and information about the changes to CJRS and the effects it will have on processing payments to those that are furloughed as well as to future claims via the scheme.

Geographical extent

CIPP comment

What are your experiences of dealing with furlough, payments, and claim? Have you also had to support clients or colleagues with claims for SEISS as well as CJRS? Share your 'Tales of COVID19 from the Coalface' with us. We are aware that the payroll industry has delivered supreme levels of service and commitment to continue to keep the UK Paid and that everyone has a personal story to share – please share yours with the CIPP policy and research team to Samantha Mann Policy and research technical lead samantha.mann@cipp.org.uk

Back to [Contents](#)

Coronavirus Job Retention Scheme guidance updates for week ending 29 May 2020

1 June 2020

Employer guidance has been updated following the announcement by the Chancellor on the future of the CJRS. Ensure you refer to the latest guidance.

What has become a regular occurrence these update were more expected than most, in that, in the main, they removed outdated text that related to the extension of the CJRS and added key points to reflect the changes that are planned for furlough and the funding available through CJRS .

[Workout 80% of your employee' wages to claim through CJRS](#) – key points:

From 1 July, employers can bring back to work employees that have previously been furloughed for any amount of time and any shift pattern, while still being able to claim CJRS grant for their normal hours not worked.

When claiming the CJRS grant for furloughed hours employers will need to report and claim for a minimum period of a week.

The scheme will close to new entrants from 30 June. From this point onwards, employers will only be able to furlough employees that they have furloughed for a full 3 week period prior to 30 June.

This means that the final date by which an employer can furlough an employee for the first time will be 10 June, in order for the current 3 week furlough period to be completed by 30 June.

Employers will have until 31 July to make any claims in respect of the period to 30 June.

Also impacted by this same updated is:

[Employee guidance](#)

[Check if you can claim for your employees' wages through the CJRS](#)

[Claim for wages through the CJRS](#)

[Reporting employees' wages claimed through CJRS](#)

[Check which employees you can put on furlough to use CJRS](#) – in addition to the key points of changes ahead with furlough and CJRS operation this guidance was also updated to add further detail on CJRS eligibility in cases where TUPE would have applied had the company not been subject in compulsory liquidation

[Examples for working out 80% of employees' wages](#) – corrections have been made to examples 1.5, 1.6 and 3.3

Back to [Contents](#)

Government publish details of the extended Coronavirus Job Retention Scheme

1 June 2020

The Chancellor of the Exchequer has released details of how the next phase of the Coronavirus Job Retention Scheme (CJRS) will operate.

Following the announcement by Rishi Sunak at the 5pm briefing on Friday 29 May, [details](#) together with a fact sheet have been published that explain how the CJRS will operate in the coming months for the one million employers who are furloughing employees and have been claiming grants through the Job Retention Scheme.

Important dates to note

10 June 2020	Final date by which an employer can furlough an employee for the first time (furlough is a minimum period of three weeks)
12 June 2020	Further guidance to be published
30 June 2020	CJRS closed to new entrants
1 July 2020	Only employees who have been furloughed previously, for a period of three weeks, can be claimed for from this date
1 July 2020	Furloughed employees can be brought back to work with CJRS being claimed for the hours not being worked
1 July 2020	Claim periods will be limited to months, no overlapping months will be permitted
1 July 2020	Employers will be able to claim under the new scheme
31 July 2020	Final date for employers to make claims for the period to 30 June 2020

Flexible Furlough

At the moment furlough and the [rules of CJRS](#) require the employee to do no work for the employer who is furloughing them. From 1 July the employer and employee can agree to working arrangements and CJRS will continue to fund the non-working time. Claim periods will need to be for a minimum of one week (but can be longer where the pay cycle requires).

Working agreements between the employer and employee, must be confirmed in writing.

The grant claim will be based on hours not worked using the normal hours the employee would work, further guidance will, we hope, explain how this will work where there isn't a normal working pattern and is due to be published on 12 June.

The employer will need to report the hours that have been worked and what hours the employee would usually be required to work.

Employer contributions and costs

In June and July CJRS will continue to fund the hours not worked up to 80% of wages to a cap of £2,500. From July employers will be required to pay for the hours worked by the employee.

From August CJRS will continue to fund 80% up to a cap of £2,500 and employers will be required to pay employer NICs and pension costs for the hours not worked, as well as for the hours worked, CJRS will no longer fund the employer on-cost element.

From September CJRS claims will be for 70% of wages, to a cap of £2,187.50, for the hours that the employee does not work. The employer will pay 10% to make up the shortfall to 80% to a cap of £2,500 plus the employer on-costs for NIC and pension.

From October CJRS will fund 60% of wages to a cap of £1,875 for the hours the employee is not required to work, the employer will be expected to contribute 20% up to the 80% and cap of £2,500 plus the on-costs of employer NIC and pension.

The cap will be proportional to the hours not worked.

As the Chancellor confirmed in his [statement](#) *“the furlough scheme will remain open all the way until October we will ask employers to start contributing, as we also introduce flexible furloughing and employees will see no change to their level of support”*

For full details please read the [fact sheet](#) and [guidance](#).

Back to [Contents](#)

CIPP webcast: Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS) update

8 June 2020

The CIPP's Policy and Research team has created a new [webcast](#) to update payroll professionals on recent announcements relating to the future of the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS).

The CJRS is due to change from July 2020, and employers will have the option to bring employees back to work on a part-time basis whilst still claiming through the grant for hours not worked. There will be a tapered approach to the level of government funding under the scheme, until it finally closes at the end of October 2020. Further guidance is due to be published on 12 June 2020 but the [webcast](#) provides detail surrounding what we know to be true at the point of broadcast (5 June 2020).

Rishi Sunak also announced that there will be a second and final grant available under the Self-Employment Income Support Scheme (SEISS) and the [webcast](#) also discusses this.

In order to ensure you are as up to date as possible with future developments relating to the CJRS and the SEISS, don't delay and listen to the CIPP's [webcast](#) today.

Back to [Contents](#)

The CIPP's Coronavirus Job Retention Scheme July – October 2020 factsheet is now available

8 June 2020

The CIPP plans to expand on the content currently available within its Resource Library to give its members the most up to date and concise information to assist them in their day to day roles.

We understand that the lives of payroll professionals are consistently busy so we wanted to produce documents that provide authoritative information relating to crucial areas of payroll, that can be printed off and digested in a small amount of time.

Following Chancellor Rishi Sunak's announcements on 29 May 2020, relating to the future of the Coronavirus Job Retention Scheme (CJRS), the CIPP has produced a [factsheet](#) discussing key facts relating to how the CJRS operated prior to July 2020, crucial facts relating to its operation from July – October 2020, an overview of changes to how the government will fund the scheme going forward and a list of important dates for payroll professionals to bear in mind.

This is an ideal way for those working within a payroll environment to update their knowledge and familiarise themselves with the upcoming changes to the scheme. On 12 June 2020, detailed guidance will be published that provides even further detail, and the CIPP will update its members as to its content via News Online, the CIPP's website and also via social media.

Access the CIPP's latest factsheet [here](#).

Back to [Contents](#)

What happens if an employer over-claims through the Coronavirus Job Retention Scheme?

9 June 2020

HMRC recently updated its [guidance](#) on how to calculate 80% of employee wages to claim through the Coronavirus Job Retention Scheme (CJRS), in relation to what claimants who have over-claimed need to do to rectify the situation. Anybody who has made an error in their claim which has resulted in the receipt of an over-claimed amount must pay the overpayment figure back to HMRC.

Claimants now have the option to advise HMRC about an over-claimed amount within a subsequent claim that they make. For new claims, a question will be included which asks whether the amount being claimed for needs to be reduced, to reflect a previous error. The new claim amount should be adjusted to account for the previous overclaim. Claimants should keep a record of this adjustment for a minimum period of six years.

Where an error has been made in a claim, but there are no further claims to be made, the current guidance states that HMRC is working on a process to allow claimants to notify them of the error, and to pay back any amounts that have been incorrectly over-claimed. Guidance on this process will be issued once it has been established.

Back to [Contents](#)

Deadline for placing employees on furlough fast approaching

9 June 2020

Companies intending to furlough employees for the first time under the Coronavirus Job Retention Scheme (CJRS), must do so by 10 June 2020, in order to observe the three-week minimum furlough period ahead of 30 June 2020, prior to the implementation of the changes to the scheme from July – October 2020.

On 29 May 2020, when announcements were made in relation to the future of the CJRS, payroll professionals were advised that the latest date that an employee could be placed on furlough would be 10 June 2020 if they were to be included on claims made through the scheme in relation to July – October 2020. This is applicable to any employees who haven't previously been placed on furlough.

10 June 2020 falls on Wednesday of this week so employers should be aware of this, and must place any employees they intend to claim for in the future on furlough by this date, discuss it with them, and also provide them with written notification of the arrangement.

Anyone submitting claims must also be aware that, for claims relating to periods from 1 July 2020 onwards, the number of employees included in one claim must not exceed the total number of employees claimed for on any previous claim. This is the number of employees included in any **one** previous claim, not the total of employees claimed for under a number of previous claims. To put this into context, if a business claimed for 40, 30 and 60 employees in various previous CJRS claims, then the maximum number of employees they could claim for in any given claim from 1 July 2020 onwards would be 60, and not the aggregate of 40,30 and 60.

From 1 July, claim periods can no longer overlap months and employers who previously submitted claims with periods that overlapped calendar months will no longer be able to do so. This is due to the fundamental changes to the operation of the scheme from July onwards.

Employers will have until 31 July to make any claims in respect of the period to 30 June.

Back to [Contents](#)

QuickPoll results: 47% of payroll professionals have not accessed HMRC's Digital Assistant for guidance on the CJRS

11 June 2020

The CIPP's Policy and Research team regularly hosts Quick Polls on the CIPP's News Online page to get an understanding of some of the issues impacting the work of payroll professionals.

Unsurprisingly, many of the questions included over the past few months have been centred around the impact of coronavirus on payroll departments, and the effect of government measures implemented to support the economy through the outbreak.

Our latest Quick Poll asked if people had utilised HMRC's [Digital Assistant](#) for guidance relating to the Coronavirus Job Retention Scheme (CJRS). The results are below:

Have you used the Digital Assistant whilst trying to understand and/or claiming through CJRS?

No: 47%

Yes, it was very helpful: 27%

Yes, it was slightly helpful: 16%

Yes, it was not helpful at all: 10%

The most popular response by far was that no, payroll professionals had not been accessing the Digital Assistant to help them with understanding or making a claim through the CJRS. This may be because they simply were not aware of its existence, or because they have been using the wealth of guidance available on the Gov.UK pages.

Out of those who had accessed the service, most people felt that it was very helpful (27%), followed by those who stated that it was slightly helpful (16%) followed by a lower proportion stating that they felt it was not helpful at all (10%).

The Digital Assistant asks a series of multiple-choice questions, which the user responds to, until the tool finds the guidance page relevant to their scenario and diverts them there.

CIPP comment

The CIPP's Policy and Research team is always interested in hearing feedback from CIPP members. If you have any further detail relating to the types of guidance that you have been using to help you to navigate the CJRS, or if

you have any further details of your experience relating to using HMRC's Digital Assistant, then please contact the team at Policy@cipp.org.uk.

[Back to Contents](#)

Latest figures reveal that 8.9 million jobs have been furloughed

11 June 2020

HMRC has [published](#) updated figures relating to the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS).

The number of jobs furloughed and the amount of claims made through the SEISS increased as of 7 June 2020 when compared to the previous set of figures that were released in relation to 31 May 2020.

Under the CJRS, as of 7 June 2020, 8.9 million jobs had been furloughed, 1.1 million employers had utilised the scheme and the total value of claims made equated to £19.6 billion. This is a significant increase on the figures for 31 May 2020, which showed that 8.7 million jobs had been furloughed, with claims equating to £17.5 billion. The number of employers using the CJRS has, however, remained unchanged between those two dates.

As of 7 June 2020, 2.6 million claims had been made under the SEISS, and the total value of claims made was £7.5 billion. As with the CJRS, this highlights increases to the figures released relating to 31 May 2020, as at that point, 2.5 million claims had been made with a total of claims made of £7.2 billion.

As widely discussed, there will be a second and final grant made available under the SEISS to further help the self-employed through the economic disruption caused by coronavirus. There is also going to be fundamental changes to the operation of the CJRS, as employers will not be able to bring employees back on a part-time basis from 1 July 2020, whilst still claiming the CJRS grant in relation to hours not worked. The way that the government funds the grant is also due to change.

For further information about what we know so far, the CIPP has produced a [webcast](#) about the future of the CJRS and the SEISS. Alternatively, there is a [factsheet](#) about the CJRS from July 2020 – October 2020, and a separate [factsheet](#) relating to the future of the SEISS.

[Back to Contents](#)

Parents returning to work following a period of parental leave will be eligible for the Coronavirus Job Retention Scheme

11 June 2020

HM Treasury has [confirmed](#) that any parents on statutory maternity and paternity leave returning to work over the course of the next few months will be eligible for the Coronavirus Job Retention Scheme (CJRS), despite the 10 June cut-off date.

When changes to the CJRS were announced on 29 May 2020, it was confirmed that any individuals who had not previously been placed on furlough would need to be furloughed by 10 June 2020, in order to observe the three-week minimum period. Any individuals not previously furloughed or placed on furlough by 10 June 2020 would not be eligible for the furlough scheme from 1 July 2020, when the operation of the scheme changes, to encourage the restart of the economy.

The government has made it clear, however, that any individuals returning to work after a long period of parental leave will be eligible for the scheme if they work for an employer who has previously furloughed other employees.

Chancellor of the Exchequer, Rishi Sunak, said:

“When I announced these changes to the furlough scheme last month, I was clear that we wanted to do this in a fair way, that supports people back to work as the country begins to re-open following coronavirus.

But for parents returning from leave, their circumstances has meant that they are still in need of support, and I’m pleased that they will be able to receive the financial assistance they and their family will need.”

This will also be applicable to individuals on adoption leave, shared parental leave, and parental bereavement leave.

Further guidance relating to this change will be included in the guidance that is due to be published on 12 June 2020.

Back to [Contents](#)

Reporting Furlough Fraud

12 June 2020

CIPP recently highlighted the rise in [furlough fraud](#) reports from employees in relation to concerns they had over claims made by their employers in relation to the CJRS. Furlough fraud has increased significantly in recent weeks, and the government has now received close to 1,900 reports of fraudulent use of the CJR Scheme, established back in April by the Treasury.

HMRC is encouraging employees to report claims that they feel are unlawful, and to aid this has [updated online forms](#) to enable employees to do so.

HMRC advises that you should not let anyone know that you are making a report and that, when completing the report, you do not need to provide any personal details. The report is treated in complete confidence.

At this time, telephone lines and postal contacts have been temporarily suspended, in line with guidance to stop the spread of COVID-19.

Back to [Contents](#)

The Coronavirus Job Retention Scheme for individuals receiving direct payments

15 June 2020

As widely documented, all UK employers with a PAYE scheme on or before 19 March 2020 can utilise the Coronavirus Job Retention Scheme (CJRS) to ‘furlough’ employees, but how does this work for direct payment holders?

The Department of Health and Social Care [guidance](#) relating to the CJRS for direct payment holders explains that any of those with a PAYE scheme on or before that date can utilise the CJRS where appropriate, but it is generally expected that the use of the CJRS to furlough employees will only happen in exceptional circumstances.

If at all possible, care should be delivered and paid for in line with the standard arrangements. Where it is appropriate for employers to access the scheme, they should follow the [step-by-step guide](#) to apply for the CJRS.

There is no doubt that care services, including the role of Personal Assistants (PAs) and carers will continue to be a vital part of the response to COVID-19. It is expected that employers, including direct payment holders, will keep the majority of staff working in order to maintain these services. This does not, however, mean that employers and direct payment holders in the sector are prohibited from furloughing staff completely.

A list of some of the scenarios are provided to highlight where furloughing would be appropriate.

A PA or carer needs to shield

Some PAs and care workers will have been contacted by the NHS to advise them to 'shield' for a minimum period of 12 weeks, and these individuals should not work. It would therefore be appropriate for direct payment holders to use the CJRS here, especially if they need to seek temporary paid care from elsewhere at no additional cost.

A PA lives with somebody who is required to shield

For PAs and care workers who have not received a letter instructing them to 'shield', but who are living with someone who has, and is categorised as 'clinically extremely vulnerable', direct payment holders should enter into discussion with them. Although guidance on 'shielding' means that household members of a person required to 'shield' do not have to themselves 'shield' then furlough would not necessarily be the first option but employers should recognise the difference circumstances of employees, and in some scenarios, use of the CJRS may be appropriate. The example provided online is as follows:

Example

June employs 3 PAs through her direct payment: Mary, Dolores and Samira.

Dolores and Samira have agreed to carry on working through the coronavirus pandemic and June has provided them with the PPE required to work safely.

Mary is unable to continue working for June because her son John has been advised to shield for 12 weeks. John has Crohn's disease and is currently receiving a treatment of chemotherapy. Mary is the main carer for John and therefore has no choice but to shield alongside her son.

Samira and Dolores have agreed to work additional hours to cover the period Mary cannot work, ensuring that June receives the care and support she needs.

June has heard about the government's (furlough) Coronavirus Job Retention Scheme (CJRS) and wants to know if she can access it to cover some of Mary's wages while she is shielding.

Having read the guidance and spoken to an adviser, June has been advised to furlough Mary while she's shielding and has successfully applied to the CJRS to cover 80% of her wages.

Once it's viable for Mary to return to her work, June has agreed that Dolores and Samira's hours will be returned to normal, enabling Mary to take up her previous employment.

When a PA or carer has caring responsibilities

Some PAs and care workers may need to stop working because they have caring responsibilities for somebody who is dependent on them. It would be appropriate for the direct payment holder to use the CJRS here. An illustrative example is provided:

Example

Syed is a personal assistant (PA) for Louise and also has caring responsibilities for his son, Abdul, who has severe learning disabilities. Syed receives no financial payment for caring for his son and is his unpaid carer.

Usually, Abdul attends and receives support from day centres. Given these day centres have temporarily stopped running, meaning Abdul can't attend, Syed is now providing more care to Abdul than he previously did.

Syed is therefore temporarily unable to continue to deliver care and support for Louise. Louise and Syed discuss this and decide that the best course of action is for Louise to apply to the CJRS on behalf of Syed. The application is successful, meaning Syed will continue to receive a wage, while also enabling him to fulfil his unpaid caring responsibilities at home.

To ensure Louise continues to receive the support she requires in Syed's absence, she contacts Barry, a PA who used to work for her. Barry, who is familiar with Louise's needs, agrees to provide temporary cover for Syed until he's able to return to work.

It is expected that these scenarios will not frequently occur.

Using the CJRS if the direct payment holder doesn't want their PA entering their home during the coronavirus crisis

Some direct payment holders may not want their PA or paid care worker to continue to provide care and support during this time. Eligibility for the CJRS will depend on each different circumstance, but the following examples are included, which do not cover all of those situations:

Example

John has a direct payment and uses that to employ Emily as a part-time PA. Recently, John has received a shielding letter.

Previously, Emily supported John to access community classes, exercise and visit the supermarket. Given John has now been advised to shield, some of this is now not possible. Furthermore, given John is susceptible to infection, he would prefer that Emily doesn't enter the home, to minimise the risk to him. John also believes some of the tasks that Emily did support him with in his house could be done temporarily by family members who live with him.

John therefore decides that using the CJRS would not be appropriate in this instance. He therefore continues to pay Emily her full wage, despite Emily not providing the usual care and support during this period. John's family members voluntarily provide the care and support that Emily usually would, without pay.

Emily has also heard of another direct payment holder, Lamar, who would like some temporary additional PA support and has the funds in his budget to do this. Emily therefore provides Lamar with this care and support on a temporary basis, until John would like her to return to employment.

Example

Brett has a direct payment and uses that to employ Nazeen as a part-time PA. Recently, Brett has also received a shielding letter from the NHS and has been categorised as 'high risk'.

Nazeen is usually employed to provide Brett with personal care in his house. Given Brett's categorisation, he would prefer Nazeen not to provide him with personal care for the time being. Instead he would prefer his brother, Oliver, to provide that for him to reduce any risk of transmission.

Oliver is happy to do this for Brett – he already provides Brett with a lot of unpaid care and support. However, for the extra work, Oliver would like to be paid a contribution to do it.

Brett agrees to this, on the basis that he is comfortable with Oliver, and knows that he mostly stays in the house, which reduces the risk of transmitting COVID-19.

Brett's LA have given him the flexibility to use his budget in a way that meets his needs and keeps him safe. However, the budget does not allow for full pay to Nazeen and Oliver.

Brett therefore discusses this with Nazeen, and they agree to put her forward for the CJRS. This suits Nazeen, who has caring responsibilities that she will need to spend more time doing, when her husband is taken off the CJRS by his employer.

The application for the CJRS is successful, and Nazeen therefore receives 80% of her normal wage. Brett also agrees to pay Oliver a fixed wage per hour, with this drafted into Brett's contingency plan. Nazeen, Oliver and Brett have all agreed that this is just a temporary arrangement until the risk to Brett is reduced, and he's happy for Nazeen to return to work on a permanent basis and when Nazeen feels able to return to work permanently.

Back to [Contents](#)

Coronavirus Job Retention Scheme guidance updates

15 June 2020

The eagerly anticipated HMRC guidance relating to how the Coronavirus Job Retention Scheme will operate from July 2020 – October 2020 was released on 12 June 2020.

There is a [collection](#) page which lists the various different guidance pages available, and is a good starting place for any employers seeking information on the changes to the scheme.

Eligibility for the scheme

[Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme](#)

This is the page that employers can use to establish if they're eligible for the scheme, and how much they can claim for employees who are on furlough due to coronavirus.

[Check which employees you can put on furlough to use the Coronavirus Job Retention Scheme](#)

Here, employers can find out which employees they are able to place on furlough, and make a claim in relation to, via the Coronavirus Job Retention Scheme.

Establishing how much can be claimed

[Steps to take before calculating your claim using the Coronavirus Job Retention Scheme](#)

This page will assist employers in deciding upon the length of a claim period, determining what to include when calculating wages and establishing what the employee's usual and furloughed hours are prior to calculating how much to claim.

[Calculate how much you can claim using the Coronavirus Job Retention Scheme](#)

This will help employers to calculate how much they are required to pay furloughed employees for hours on furlough, and what they can claim back, and how much can be claimed for employer National Insurance contributions and pension contributions.

[Find examples to help you calculate your employees' wages](#)

There are various illustrative examples on this guidance page to help employers with calculating their employee's wages, National Insurance contributions and pension contributions when claiming through the Coronavirus Job Retention Scheme.

Claiming and reporting earnings

[Claim for wages through the Coronavirus Job Retention Scheme](#)

This guidance assists employers in claiming for 80% of employee wages, plus any employer National Insurance and pension contributions, where they have been placed on furlough.

[Reporting employees' wages to HMRC, when you've claimed through the Coronavirus Job Retention Scheme](#)

Employers can find out how and when to report employees' wages to HMRC using the PAYE Real Time Information system.

Changes to the scheme from 1 July 2020

[Changes to the Coronavirus Job Retention Scheme](#)

This policy paper gives an overview of the changes to the Coronavirus Job Retention Scheme, from 1 July 2020 to its closure on 31 October 2020.

It includes the following useful table:

	July	August	September	October
Government contribution: employer NICs and pension contributions	Yes	No	No	No
Government contribution: wages	80% up to £2,500	80% up to £2,500	70% up to £2,187.50	60% up to £1,875

Employer contribution: employer NICs and pension contributions	No	Yes	Yes	Yes
Employer contribution: wages	-	-	10% up to £312.50	20% up to £625
Employee receives	80% up to £2,500 per month			

Back to [Contents](#)

The future of the Coronavirus Job Retention Scheme webcast - take two

19 June 2020

The CIPP policy and research team have produced a second webcast which is available in the coronavirus hub.

The CIPP policy and research team have produced a second [webcast](#) which is available in the coronavirus hub and which aims to add a little more detail to the operation of the Coronavirus Job Retention Scheme (CJRS) as we move towards 1 July 2020.

The [webcast](#) provides a bitesize overview taken from the [guidance collection](#) published on 12 June 2020.

Geographical extent

CIPP comment

A virtual roundtable is being held on the afternoon of 30 June 2020 and invitations will be issued shortly to all to enable full, fellow and Chartered. To register your interest in attending this roundtable, please email policy@cipp.org.uk.

Back to [Contents](#)

Coronavirus Job Retention Scheme (CJRS) phase 2 frequently asked questions

19 June 2020

The CIPP has published a list of the most commonly asked questions relating to the recent changes in government's Flexible Coronavirus Job Retention Scheme, and you can access the information [here](#).

Due to the recent changes to the Coronavirus Job Retentions Scheme from 1 July 2020, CIPP have produced a second FAQ document specifically for questions relating to Flexible Furlough. Many more questions will undoubtedly arise as a result of the new measures, and the CIPP would like to reassure members that we are constantly reaching out to HMRC, HM Treasury and other bodies, in order to obtain answers and clarification on elements of the scheme that are not clear within the guidance and are perplexing payroll professionals across the UK.

[Coronavirus Job Retention Scheme \(CJRS\) phase 2 frequently asked questions](#)

Back to [Contents](#)

CJRS new template available to download when claiming for more than 100 employees

22 June 2020

HMRC has updated [guidance](#) that includes a [downloadable](#) template which can be used when claiming for more than 100 employees under flexible furlough arrangements from 1 July 2020.

For employers who are claiming for more than 100 employees via the CJRS scheme, the claim system requires those claims to be uploaded. HMRC has now issued the template which can be used for these claims which are to be submitted for periods on or after the 1 July.

This template can only be used for claims starting on or after the 1 July and must not include any claims for periods which started earlier.

[Back to Contents](#)

Check which employees you can put on furlough to use the CJRS – updated to include Military reservists returning after 10 June 2020

22 June 2020

HMRC has [confirmed](#) that you can furlough an employee who is a military reservist returning to work after a period of mobilisation after 10 June, even if you are furloughing them for the first time.

Employers were advised that to successfully continue to furlough an employee from 1 July 2020, they needed to have been furloughed for the minimum period of three weeks prior to 30 June 2020. This meant, that an employee would need to have been furloughed for the first time by 10 June 2020.

Exceptions to this were employees returning from a period of family leave, such as Statutory Maternity Leave. In addition to this, HMRC has now advised that those employees who are military reservists and return to work after this date, can also be furloughed for a period of three weeks, which will take them beyond the cut off of 30 June 2020 as long as:

- The employer has already claimed for another employee for at least three consecutive weeks between 1 March 2020 and 30 June 2020
- The employee was away on a period of mobilisation that started prior to 10 June 2020 and returned from that mobilisation after 10 June 2020
- The employee was active on your PAYE and you submitted an RTI submission on or before the 19 March 2020

If furloughing employees that are military reservists, for the first time, add this number to the maximum number of a previous claim when calculating the maximum number of employees, you can claim for.

[Back to Contents](#)

Bosses are urging employees to commit ‘furlough fraud’

23 June 2020

It has been widely reported that significant levels of ‘furlough fraud’ have been taking place over the course of the period in which the Coronavirus Job Retention Scheme (CJRS) has been available for businesses to claim grants through the CJRS for employees that they have placed on furlough.

[Research](#) carried out by Crossland Employment Solicitors highlights the fact that 34% of employees have been instructed to continue working despite the fact that they have been placed on furlough. 29% were asked to complete administrative tasks while on furlough, and 20% had been told to work for a company linked to the one that had placed them on furlough.

As the government is aware that ‘furlough fraud’ is prevalent, they are giving employers a 30-day period in which to admit that they have made incorrect claims, in [draft legislation](#) which will also give HMRC powers to charge penalties for deliberately submitting fraudulent claims.

The rules surrounding the operation of the CJRS from March – June 2020 clearly state that employees must not carry out any work for the employer that has placed them on furlough – however, they may undertake training. They are also permitted to complete volunteering work for, or start work for another employer, if their contract allows.

The research found that the rules were being broken in both small and medium-sized enterprises, and also in larger companies.

An HMRC spokesperson said:

“The Coronavirus Job Retention Scheme is part of the collective national effort to protect jobs. This is taxpayer’s money and fraudulent claims limit our ability to support people and deprive public services of essential funding.

“We’d ask anyone concerned their employer might be abusing the scheme to please contact us. It could be that you’re not being paid what you’re entitled to, they might be asking you to work while you’re on furlough, or they may have claimed for times when you were working.

“We have received 3,858 reports from the public. Reports can be submitted to us entirely anonymously and everything we receive is assessed and a decision made on the most appropriate course of action. We’re not trying to catch people out – if it turns out to be a genuine mistake then we’ll help put it right, and if it’s more serious then we’ll step in.

“These reports are just one way that HMRC identifies fraud. Claims are checked and payments may be withheld or need to be repaid if the claim is based on dishonest or inaccurate information. We won’t hesitate to take criminal action against the most serious cases.”

Back to [Contents](#)

Coronavirus Job Retention Scheme Direction - take three

29 June 2020

A third Coronavirus Job Retention Scheme (CJRS) direction has been laid that amends earlier directions and takes forward the CJRS scheme until the close date of 21 October 2020.

The Treasury [direction](#) made under Sections 71 and 76 of the Coronavirus Act 2020 reflects the extension of the Scheme to 31 October, and the changes to the terms of the scheme from 1 July onwards, announced by the Chancellor on 12 May.

This direction gives legal effect to the elements of the scheme that were set out in the guidance published 12 June.

[Guidance](#) should continue to be the key point of reference for employers and employees.

Back to [Contents](#)

Correcting your CJRS overclaim to HMRC

29 June 2020

HMRC has updated the Claim for wages through the Coronavirus Job Retention Scheme (CJRS) [GOV.UK page](#) to provide further clarification where an employer needs to make a repayment for an overclaim of grant through the CJRS.

Overclaim correction

The [guidance](#) now makes clear that if you have made an error and overclaimed an amount this must be repaid which can be made by letting HMRC know when you make your next claim where you will be asked whether you need to reduce the amount to take account of a previous overclaim. If so your new claim amount will be reduced to reflect the overclaimed amount and you should keep a record of this adjustment for 6 years.

If you have overclaimed and you do not plan to submit any further claims then you should contact HMRC to let them know the details of your error and find out how to pay back any overclaimed amounts. Once you have contacted us you will be given a payment reference number and directed to make a payment.

Underclaim correction process

Where you have made an error resulting in an underclaimed amount, you should contact HMRC to amend your claim. HMRC will conduct further checks to satisfy themselves that your claim can proceed as you will be increasing the amount of your claim.

In addition a new [guidance page](#) on repaying CJRS overclaims has been added to the CJRS guidance collection.

Back to [Contents](#)

High Court ruling on Coronavirus Job Retention Scheme and limb (b) workers

1 July 2020

Two Uber drivers, alongside the Independent Workers' Union of Great Britain, made an application to the High Court for a judicial review of the Coronavirus Job Retention Scheme (CJRS) and Statutory Sick Pay (SSP). The High Court rejected this application, and therefore, no such review will take place.

[The High Court](#) ruled that government decisions relating to the CJRS and SSP were not unlawful in relation to 'limb b workers'. Speaking on behalf of one of the claimants, Mr. Adiatu, who is a private hire driver for Uber, the Court heard that-

"His income decreased dramatically in March 2020 and he could not afford to pay for his private hire vehicle licence renewal in April 2020 so is now unable to work, and has fallen into rent arrears. He has a wife and four children aged from 7 months to 12 years, two in the UK and two in Egypt. In his first witness statement he understandably described his financial situation as 'dire and terrifying'. More recently he has received a payment under the Self-Employed Income Support Scheme, but the financial pressures on him remain severe.

The judges also explained-

Uber drivers such as Mr Adiatu were held by the Court of Appeal in Uber BV v Aslam to be workers within the scope of s 230(3)(b) of the Employment Rights Act 1996 (though an appeal by Uber from that decision is shortly to be heard by the Supreme Court). Such workers occupy an intermediate status between those working under a contract of employment and the genuinely self-employed. The universal, if inelegant, abbreviation used by lawyers (and by the Government in some official documents) is 'limb b workers'."

Mr. Adiatu and another claimant who eventually withdrew from proceedings maintained that it was unlawful to:

- Exclude limb (b) workers from the CJRS
- Amend the scheme for SSP in response to coronavirus without
 - Including limb (b) workers within the scheme
 - Raising the level of SSP
 - Removing the Lower Earnings Limit (LEL)
 -

Lord Justice Bean and Mr Justice Cavanagh explained that the CJRS is only available to those who are paid via PAYE, and this means that the majority of limb (b) workers are excluded.

The High Court asserted that the aims of the CJRS and the amendments to the SSP scheme for those unable to work due to coronavirus, or where they were shielding or self-isolating, were rational and justified as a proportionate means of achieving a legitimate aim.

Back to [Contents](#)

Claims under the new style CJRS can be made from 1 July

1 July 2020

The online service for making claims relating to the new style Coronavirus Job Retention Scheme (CJRS) will be open and available from 1 July 2020.

Employers will be able to submit claims for periods beginning on or after 1 July 2020 from the same date but were not able to do so prior to that point.

From 1 July, employers can place their workers on flexible furlough, meaning that their staff can return to work on a part-time basis if they wish, and the employer can still claim for any of the hours that they would ordinarily work but are not currently working. Employers have the option to leave workers on full furlough if they wish, or to ask them to return to work.

In July, an employer can still claim 80% of an employee's pay up to a maximum of £2,500 per month for any hours the employee is not working that they would have normally worked, and the associated employer pension and National Insurance (NI) contributions, but from August this will change. In August, the employer will be expected to begin to pay the employer pension and NI contributions for hours that are spent on furlough. In September, the employer will be expected to pay 10% of wages whilst HMRC pay 70%, then from October, the breakdown is 20% for employer and 60% for HMRC. The scheme will then close on 31 October 2020.

Back to [Contents](#)

Updates to Coronavirus Job Retention Scheme (CJRS) guidance

2 July 2020

As the online claim service for flexible furloughing became available from 1 July 2020, HMRC has updated the various guidance pages that employers should familiarise themselves with prior to calculating and submitting claims under the new style Coronavirus Job Retention Scheme (CJRS).

There have been multiple updates to the different forms of guidance.

Instruction has been provided for employers who have overclaimed through the CJRS, and who do not intend on submitting any further claims. Businesses in this position should [contact HMRC](#) to inform them of the error, and discuss how to pay back any overclaimed amounts. After contacting HMRC, a payment reference number will be provided, and the process for making a payment will be confirmed.

There is the reminder that, where an employee has commenced a period of furlough prior to 1 July, this must be for a minimum of three consecutive weeks. This is true regardless of whether the three consecutive week minimum period ends before, or after 1 July. Businesses are also reminded that the last date that they can submit claims for in relation to periods ending on or before 30 June is 31 July.

Any workers who are flexibly furloughed and taking holiday during the claim period should have those hours counted as furloughed hours, and not working hours. Employers should not, however, place workers on furlough just because they are on holiday for that period. As Working Time Regulations (WTR) mean that holiday pay must be paid at someone's normal rate of pay, or where pay varies, calculated on the basis of the average pay they received in the previous 52 weeks, employers must pay workers their usual holiday pay in accordance with the WTR. Employers will therefore be required to pay the additional amounts over the grant but will have the option to restrict when leave can be taken, where there is a business need. This applies to both the furlough and recovery period.

Employees must still pay taxes out of their wages as they ordinarily would. Employers need to ensure that they deduct income tax and National Insurance (NI) contributions on the full amount, including any scheme grant, that they pay to the employee. The income tax and NI contributions must be paid directly to HMRC and reported on the Full Payment Submission (FPS) to HMRC, on or before the pay date. Pension contributions must also be treated in this way (for both employer and employee) unless the employee has opted out, or stopped contributing to their pension. Until 31 July, employers can continue to claim these costs for any hours an employee is on furlough, however, from 1 August, employers will no longer have the option to claim for employer NI and pension contributions.

Finally, a new example of a calculation has been added to the ['Find examples to help you calculate your employees' wages'](#) page. It is as follows:

An employee started work for an employer in 2013. The employee is paid every four weeks, and was furloughed on 31 March 2020.

The employee will be paid for the pay period 1 July 2020 to 28 July 2020, and the employer is looking to make a flexible furlough claim for the same period (1 July 2020 to 28 July 2020).

The employer calculates that the employee worked 616 hours between 6 April 2019 and 31 March 2020. This includes any hours that the employee received holiday pay for. The employee was on a period of statutory adoption leave between 1 June 2019 and 14 January 2020 – this is 228 days.

The number of days between 6 April 2019 and 30 March 2020 is 360 days (inclusive). The employer should not include the days where the employee was on statutory adoption leave, leaving 132 days.

The employer works out the average number of hours worked in the tax year 2019 to 2020 as follows:

1. Start with 616 (the number of hours actually worked (or on paid annual leave or “flexi” leave) in the tax year 2019 to 2020 before the employee was furloughed)
2. Divide by 132 (the number of calendar days the employee was employed by the employer in the tax year 2019 to 2020, up until the day before they were furloughed, not including the time that the employee was on statutory adoption leave)
3. Multiply by 28 (the number of calendar days in the pay period (or partial pay period) which the employer is claiming for) = 130.66
4. Round up to the next whole number because the outcome isn’t a whole number and because the calculation is for an entire claim period = 131

The employer will also need to work out the usual hours based on the corresponding calendar period in the tax year 2019 to 2020, and use the higher figure for the usual hours.

The updated guidance pages in full are as below:

[Reporting employees' wages to HMRC when you've claimed through the Coronavirus Job Retention Scheme](#)
[Check if your employer can use the Coronavirus Job Retention Scheme](#)
[Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme](#)
[Changes to the Coronavirus Job Retention Scheme](#)
[Find examples to help you calculate your employees' wages](#)
[Check which employees you can put on furlough to use the Coronavirus Job Retention Scheme](#)

Back to [Contents](#)

Ability to delete claims now available within the CJRS online service

3 July 2020

HMRC has updated the [guidance page](#) on how to ‘Claim for wages through the Coronavirus Job Retention Scheme’ to advise claimants that they now have the ability to delete a claim, as long as it is within 72 hours of submitting it, within the online claim service.

There was not previously any option to delete claims that had already been submitted, meaning that if a claimant made an error, they would need to adjust for any overclaims in a subsequent claim submission, or [contact HMRC](#) if they made an underclaim. They would also need to contact HMRC if they had overclaimed and did not intend on making any further submissions.

Anyone who has claims that have been submitted for a period of longer than 72 hours would still need to follow the previous overclaim or underclaim process.

Back to [Contents](#)

First arrest made in relation to furlough fraud

10 July 2020

HMRC has confirmed that a 57-year-old male from Solihull has been arrested in connection with suspected fraud of the Coronavirus Job Retention Scheme (CJRS).

The arrest was made on Wednesday 8 July in connection to a suspected £495,000 fraud of the CJRS. HMRC has confirmed that this is the first arrest of this nature to take place. The individual was also arrested in relation to suspected multi-million pound tax fraud and alleged money laundering offences.

In addition to this, eight more men have been arrested, from the West Midlands as part of a linked investigation. More than 100 HMRC officers were deployed to 11 locations, and computers and other digital devices were seized, in addition to business and personal records.

The media [reported](#) that acting director of the Fraud Investigation Service at HMRC, Richard Las, said:

“The Coronavirus Job Retention Scheme is part of the collective national effort to protect jobs. The vast majority of employers will have used the CJRS responsibly, but we will not hesitate to act on reports of abuse of the scheme.

This is taxpayer’s money and any claim that proves to be fraudulent limits our ability to support people and deprives public services of essential funding.

As usual, we have built steps in to prevent mistakes and fraud happening in the first place, but anyone who is concerned that their employer might be abusing the scheme should report it to HMRC online.”

To date, over £27.4 billion has been claimed through the CJRS, and this has supported 1.1 million employers and 9.4 million furloughed jobs.

CIPP comment

HMRC has continuously reiterated the fact that it has the powers to tackle abuse of the CJRS, and this just serves as an example of the penalties associated with the fraudulent operation of the scheme. There may be many more cases of this nature over the coming weeks and months.

Back to [Contents](#)

Coronavirus Job Retention Scheme: notice periods

20 July 2020

HMRC has updated two of its pages of guidance relating to the Coronavirus Job Retention Scheme (CJRS) – [‘Check which employees you can put on furlough to use the Coronavirus Job Retention Scheme’](#) and [‘Check if your employer can use the Coronavirus Job Retention Scheme’](#) to provide further clarity around notice periods.

The guidance states:

“Your employer can still make you redundant while you’re on furlough or afterwards. Your employer can continue to claim for you while you are serving a statutory or contractual notice period, however grants cannot be used to substitute redundancy payments.”

This means that the guidance now confirms that notice periods being served by furloughed employees that employers can claim for include contractual notice periods, and not just statutory ones. Grants cannot be used, however, to substitute redundancy payments.

Back to [Contents](#)

Claims under the Coronavirus Job Retention Scheme phase one must be submitted by no later than 31 July 2020

21 July 2020

Claims for grants under the Coronavirus Job Retention Scheme (CJRS) that relate to periods ending on or before 30 June 2020 must be made by no later than 31 July 2020.

Employers were not able to ask employees to perform any work for them if they were on furlough during this period, but from 1 July businesses were able to ask employees to come back to work on a part-time basis whilst still claiming the grant for any hours not worked, and spent on furlough.

The way in which the government pays out grants relating to the CJRS will also start to change as flexible furloughing as implemented. In July, payment for any normal hours not worked will remain at 80% of wages up to a monthly cap of £2,500. The government will also fund the associated employer National Insurance (NI) contributions and pension contributions. From August, this will change, as employers must start to pay the employer NI and pension contributions on any hours an employee spends on furlough, in addition to payment for any hours actually worked and the associated contributions. In September, the government will pay 70% of wages, up to a monthly cap of £2,187.5 and in October, the month in which the scheme closes, they will fund 60% of wages to a maximum of £1,875 per month. The employer must top the employee's pay up to 80% but they do have the option to pay more than the 80% if they wish.

Back to [Contents](#)

Government extends furlough fraud reporting window

28 July 2020

The exploitation of the government's Coronavirus Job Retention Scheme (CJRS) has seen a rise in recent months, with instances of 'furlough fraud' being reported to HMRC. In recognition of this, the government has implemented a new proposal with the aim of helping claimants to report the overclaims themselves.

The scheme, introduced in March 2020, was established by the Chancellor, Rishi Sunak, in a bid to keep the UK paid in scenarios where job losses would have occurred due to the current COVID-19 pandemic. Unfortunately, however, reports have been made stating that employees have been forced to work whilst placed on furlough or have been informed that they are on furlough when they have received a reduced payslip.

HMRC has stated that it will be cracking down on these instances and has encouraged employees to make reports directly to them. HMRC has also recently stated that it will offer an amnesty to claimants who report the fraud themselves. Previous legislation stated that a claimant has 30 days to inform HMRC that they have knowingly or mistakenly committed furlough fraud. An amendment to the [Finance Bill](#) has been issued extending this period to 90 days. Under this [amendment](#), claimants will be given a 90-day window to admit their mistake and report the error directly to HMRC.

The amendment will also extend the powers that HMRC holds to check coronavirus-related grants made to claims and ensure that they have been used correctly. This means that the grant payments which have been made in relation to the furlough scheme have been applied to the pay of workers and will ensure that they have not been overpaid in any way.

The 90-day extension will also cover claims made under the Self-Employment Income Support Scheme (SEISS), the coronavirus Statutory Sick Pay rebate scheme, the coronavirus business support grant scheme, and any other COVID-19 grant schemes.

Claimants are reminded that, under the rules, any organisation caught deliberately using grant money for anything other than the original purpose it was intended, could face financial penalties. It has been reported that for every £1 claimed incorrectly, HMRC has the power to convert it into £1 of tax liability, meaning 100% claw back.

Back to [Contents](#)

Latest Coronavirus Job Retention Scheme claim figures

30 July 2020

HMRC has [released](#) the latest figures relating to the Coronavirus Job Retention Scheme (CJRS), as of 26 July 2020. Data compiled from that date highlights the fact that 9.5 million jobs have been furloughed, by 1.2 million employers, resulting in total claim figures to date of £31.7 billion. This demonstrates the fact that companies are still utilising the scheme, as claim figures have increased by £1.9 billion since the week before, on 19 July 2020, when they stood at £29.8 billion.

The scheme will continue to run until the end of October 2020, but massive changes to its rules were applied from the start of July, when employers were able to bring employees back to work on a part-time basis, and to operate 'flexible furlough'. Throughout July, the government committed to paying 80% of wages up to a monthly cap of £2,500 for any ordinary hours not worked, along with the associated employer National Insurance (NI) and pension contributions. In August, they will still pay 80% of wages but employers must pay the employer NI and pension contribution amounts on any ordinary hours not worked that an employee has been placed on furlough. In September, the government will pay 70% of wages, with the employer contributing 10%, and in the scheme's final month, in October, the government will pay 60% of wages with the employer accounting for 20%.

There are still calls for the scheme to be extended beyond October, but Chancellor, Rishi Sunak, confirmed in his Summer Economic Statement that the government did not intend for this to happen.

Back to [Contents](#)

HMRC confirms how to submit complaints in relation to the Coronavirus Job Retention Scheme

30 July 2020

HMRC has [confirmed](#) how customers who have utilised the Coronavirus Job Retention Scheme (CJRS) can submit complaints, should they feel that any mistakes have been made or if they have had to suffer unreasonable delays. The resounding message is still that HMRC is extremely busy, due to the number of calls it is receiving, and that contacting HMRC unnecessarily puts a strain on essential public services during challenging times. However, there is still information provided about how to make a complaint for anyone who feels they need to do so.

[Complaints](#) can be submitted either online, by phone or by post. HMRC has confirmed that it will not treat anyone that has made a complaint any differently as a result, and that it will deal with complaints confidentially, and in a fair manner. HMRC will also keep anyone who has made a complaint up to date with its progress.

In addition to this, HMRC has moved guidance for claimants on the steps to take where they have either overclaimed or underclaimed the grant onto its own page – '[If you've claimed too much or not enough from the Coronavirus Job Retention Scheme.](#)'

The guidance remains the same, so:

- Claims can be deleted within the online service as long as this is done within 72 hours of the submission of that claim
- If claimants have received too much money, they must pay this back to HMRC either by informing HMRC as part of their next online claim or by contacting HMRC to pay the money back directly (this should only be done where there is no intention to submit any further claims)
- HMRC must be notified about grant overclaims by claimants, where they have not been repaid, by the latest of 90 days after the date they received the grant they were not entitled to, 90 days after the date they received the grant they were no longer entitled to because their circumstances changed or 20 October 2020. If the deadlines are not observed, then claimants may face a penalty
- For underclaims, claimants must contact HMRC to amend their claim, and HMRC may need to perform additional checks before paying the additional sums

Back to [Contents](#)

The deadline for submitting claims under the CJRS relating to periods ending on or before 30 June 2020 has arrived

31 July 2020

The deadline for submitting claims relating to the Coronavirus Job Retention Scheme (CJRS) for periods ending on, or prior to, 30 June 2020, is 31 July 2020, so any businesses wishing to submit backdated claims will need to ensure that they do so within the required timeframe.

The reason behind this is because the scheme changed significantly from 1 July 2020 onwards, when employers were able to bring employees back to work on a part-time basis, and to operate 'flexible furloughing', if they wished. The employer would pay the employee for any hours worked, plus associated employer National Insurance (NI) and pension contributions, but, for July, the government would continue to pay 80% of wages, up to a cap of £2,500 per month, for any ordinary hours not worked, plus the associated employer NI and pension contributions.

If there are any additional employees who need to be added to previous claims, who were missed due to errors, then this also needs to be actioned before 31 July 2020. This is because after 31 July 2020, businesses won't be able to add any new employees for periods ending on or before 30 June, and only employees who have previously been furloughed for a minimum of three weeks during March, April, May or June 2020 can be furloughed from 1 July 2020 onwards. There are certain exceptions to this, including those employees who are returning from a period of statutory parental leave, and military reservists.

HMRC is offering a variety of [webinars](#) to help claimants to understand the scheme and how it is changing, so anyone grappling with the amendments should attend.

Claims under the CJRS can be made [here](#).

Back to [Contents](#)

Furloughed employees will receive full redundancy payments

31 July 2020

In a [press release](#), the Department for Business, Energy and Industrial Strategy (BEIS) has confirmed that the government is bringing in a law that will ensure that furloughed employees receive statutory redundancy pay based on their standard wages, and not at a potentially lower furlough rate of pay.

This will guarantee that those furloughed under the Coronavirus Job Retention Scheme (CJRS) will not receive lower pay in the event that they are made redundant. The amendments are applicable to statutory notice pay and other entitlements.

The laws are being brought in from Thursday 30 July, and will come into force from Friday 31 July. The government has encouraged employers to pay any employees being made redundant on the basis of their normal wage, and not based on the reduced rate of furlough pay. There are many businesses that have adhered to this but there are, unfortunately, a minority who have not. The legislation is being brought in to protect workers and to ensure that any employees being made redundant receive the full amount that they are entitled to.

Any employees who have over two years' continuous service, and are made redundant are ordinarily entitled to statutory redundancy payments, which are calculated on the basis of their length of service, age and pay, up to a statutory maximum.

Alok Sharma, Business Secretary, said:

"The government is doing everything it can to protect people's incomes through our Coronavirus Job Retention Scheme, which is now supporting over 9 million jobs across the UK."

We urge employers to do everything they can to avoid making redundancies, but where this is unavoidable it is important that employees receive the payments they are rightly entitled to."

The changes are also applicable to Statutory Notice Pay. Statutory Notice Pay is where employees must be provided with a notice period prior to their employment ending. This can vary from between at least one week's notice all the way up to 12 weeks' notice, and this will depend on how long they have worked for their employer. Employees must be paid during this notice period. Again, pay must be based on normal wages, and not those paid under the CJRS. Unfair dismissal cases will also be based on full pay and not wages paid under the CJRS.

The statutory instrument can be found [here](#).

Back to [Contents](#)

CJRS guidance updated to reflect changes from 1 July 2020

4 August 2020

From 1 July 2020, employers can only claim CJRS for employees who have been furloughed for a minimum of three weeks prior to this date. To reflect this, guidance has now been updated to cement the new eligibility requirements.

In previous guidance, employees needed to have been processed via PAYE and details sent via RTI by 19 March 2020. This requirement has now been removed from [guidance](#). The reason behind this is that the new requirement of being previously furloughed prior to 1 July supersedes this requirement, with those that have returned from a period of family leave or a period as a military reservist being an exception to this rule and can be placed on furlough after this date. Claims for the period of June 2020 need to have been submitted 31 July 2020. From July, there is also no minimum period an employee can be furloughed for, only that each claim period is for a minimum of seven days.

Since 1 July, employers have been able to bring employees back in to work on a part-time basis, this is referred to as flexible furlough. Throughout July, employers can claim back 80% of employees wage cost, on furloughed hours, up to the pro-rata cap of £2,500 together with associated employer National Insurance (NI) and pension costs. Another big change from July surrounds the number of employees the employer can claim for in a single claim period. Unlike previous claim periods, from [1 July onwards](#), the amount the employer can claim must not exceed the maximum number of employees claimed for under any claim made from 1 March through to 30 June.

For example:

April = 30
May = 20
June = 25

The maximum that can be claimed for from 1 July 2020 onwards would be 30 and not the accumulative total of all periods claimed for.

From 1 August, employers are reminded that CJRS claims will no longer fund employer NI or pension contributions and these costs must be funded in full by the employer.

To reflect all changes, the below guidance pages have been updated.

[Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme](#)
[Individuals you can claim for who are not employees](#)
[Check which employees you can put on furlough to use the Coronavirus Job Retention Scheme](#)
[Find examples to help you calculate your employees' wages](#)

Back to [Contents](#)

The importance of National Insurance numbers for claims under the Coronavirus Job Retention Scheme

10 August 2020

HMRC has issued a reminder that National Insurance (NI) numbers must be provided for all employees as a standard part of Coronavirus Job Retention Scheme (CJRS) claims. There are only exceptions where an employee genuinely does not have an NI number. The example provided is where an employee is under the age of 16 years old. Employers can check employee NI numbers by using the ['Check a National Insurance Number using basic PAYE Tools'](#) facility.

HMRC has confirmed that it can no longer accept claims for less than 100 employees where not all NI numbers are available, unless the employees being claimed for genuinely do not have one.

This is particularly relevant as HMRC has explained that, in order to access the Job Retention Bonus, businesses need to ensure that all CJRS claims are correct, and that all payroll records are up to date.

HMRC has also reminded businesses that, from 1 August 2020, the CJRS still provides grants to furloughed employees but employers now have the responsibility for paying employer NI and pension contributions, on both hours worked by employees and now also on hours they spend on furlough.

Back to [Contents](#)

Latest updates to Coronavirus Job Retention Scheme guidance

11 August 2020

There have been a number of changes to the various guidance pages that HMRC provides on the subject of the Coronavirus Job Retention Scheme (CJRS).

Confirmation has been provided that supply teachers are eligible for the scheme in the same way as other employees and can also be claimed for during any periods of school holiday, as long as the other, standard eligibility criteria are met.

The guidance also reiterates the fact that furloughed employees who are made redundant will have their redundancy pay calculated on the basis of their [normal wage](#), and not the reduced furlough amount.

A new example has been provided to advise claimants how to proceed where an employee with fixed pay has worked sufficient overtime in tax year 2019-20 to have a significant impact on the amount that can be claimed.

HMRC has included information within the pages to show that employers should only contact HMRC in relation to providing National Insurance (NI) numbers where the employee has a temporary number, or genuinely does not have one at all, e.g. if they are under the age of 16.

In addition to all of the other updates, within the guidance HMRC has repeated the importance of submitting correct data when making claims.

The guidance pages can be accessed below:

[Check if your employer can use the Coronavirus Job Retention Scheme](#)
[Check which employees you can put on furlough to use the Coronavirus Job Retention Scheme](#)
[Calculate how much you can claim using the Coronavirus Job Retention Scheme](#)
[Claim for wages through the Coronavirus Job Retention Scheme](#)
[Examples of how to calculate your employees' wages, National Insurance contributions and pension contributions](#)

Back to [Contents](#)

HMRC provides examples of calculations of what businesses can reclaim for flexibly furloughed employees in September and October

19 August 2020

HMRC has updated the [guidance page](#) which provides a variety of examples of the amounts that employers can reclaim for any employees that they place on flexible furlough, and the associated calculations. There are now detailed examples of calculations for both September and October, as the amount employers can claim drops to 70% initially and then 60% in October, before closing at the end of that month.

Since the start of August, employers have no longer been able to reclaim the costs associated with employer National Insurance (NI) and pension contributions for any hours that employees spend on furlough, and employers have had to pay this themselves.

The examples detail how much the employer must pay out to the employee in scenarios in both September and October, and also the figure that they may claim back through the Coronavirus Job Retention Scheme (CJRS).

When the scheme closes at the end of October, employers who bring employees who were previously on furlough back to work, and keep them in employment between November 2020 and January 2021, and pay them at least £520 per month on average during that time, will be eligible for a one-off payment of £1,000 for each eligible employee. This is referred to as the Job Retention Bonus. HMRC has reminded businesses that they need to ensure that their CJRS claims have been submitted correctly and any amendments made, if required, prior to claiming the Job Retention Bonus.

Back to [Contents](#)

Coronavirus Job Retention Scheme guidance update

19 August 2020

On the various information pages relating to the Coronavirus Job Retention Scheme (CJRS), links have been made available to the previous [guidance](#) that related to claim periods ending on or before 30 June 2020.

This information was archived on 30 July 2020, as claims made relating to any time before 30 June 2020 could not be submitted past the point of 31 July 2020. This was due to the fact that the option to place employees on flexible furlough became available for claim periods relating to 1 July 2020 onwards.

The archived guidance could prove to be extremely useful for any businesses that are checking the claims they have previously submitted for any errors, particularly as the Job Retention Bonus will only be paid out to employers who have submitted everything correctly for those employees on furlough through the CJRS, and who have made amendments if they have been required to, as a result of previous errors. They may also be helpful for any audits that are conducted, as HMRC has the authority to retrospectively check all elements of CJRS claims.

Back to [Contents](#)

Reminder of the changes to the Coronavirus Job Retention Scheme (CJRS) from 1 September 2020

24 August 2020

From the initiation of the CJRS grants, employers have been able to claim back 80% of an employee's usual wage up to a cap of £2,500 per employer, however, from 1 September this is reduced to 70% of usual wages up to a cap of £2,187.50 per month for the hours furloughed employees do not work.

Although the claim percentage has reduced, employers will still need to pay those furloughed employees at least 80%, up to the cap of £2,500 per month. This means that an employer will have to fund the difference in what can be claimed as a grant and what is processed for payment to the employee.

The caps are proportional to the hours not worked. For example, if an employee is furloughed for half their usual hours in September, employers are entitled to claim 70% of the employee's usual wages for the hours they do not work, up to £1,093.75 (50% of the £2,187.50 cap).

From August 2020, employers have had to cover the cost of furloughed employees' National Insurance (NI) and pension contributions from their own funds. This will continue throughout September and October, until the scheme ends on 31 October 2020.

HMRC guidance has been updated live webinars are being offered to help and support employers in understanding the changes to the scheme. Webinars are available to be booked online- registration details can be found [here](#). Employers are reminded that, when claiming for 100 or more employees, they are able to download and use the HMRC [template](#) to ensure that all data needed is submitted.

It is important that employers provide all the data needed to process a claim. Payment of grants may be at risk or delayed if an employer submits a claim that is incomplete or incorrect. HMRC will get in touch where any employee data is missing from previous claims.

HMRC have begun to issue 'nudge' letters to a small number of employers in a bid to prompt them to double check that their CJRS claim is accurate and that employees who are contained within claims were eligible to be included. It is important that these letters are not ignored and that if an employer receives such a communication, they should contact HMRC to discuss their claims. Where the employer has an authorised tax advisor their advisor will also have been sent a letter.

If an over-claim error is found by an employer, there is the ability to make a change to the claim amount. Employers are strongly encouraged to check claims to ensure that they are correct and if any errors are found, they are corrected and repaid to HMRC.

If an employer is to make additional claims in the future, then the change can be amended on the next grant claim made, reducing the amount of the new claim. Any adjustments will need to be kept for six years. If no future claims are to be made, the employer must contact HMRC directly on 0300 322 9430 to repay the overclaimed amounts.

Any overclaimed grants that have not been repaid must be notified to HMRC by the latest of either:

- 90 days after the date the received grant that was not entitled
- 90 days after the date the received grant was no longer entitled due to circumstances changing
- 30 October 2020

Employers are warned that, if this is not actioned, a penalty may be imposed. By making a repayment of any overclaimed grants, any potential tax liability in respect of the overpayment of the Coronavirus Job Retention Scheme will be prevented. HMRC has advised that it will not be actively looking for innocent errors in their compliance approach.

As mentioned above, CJRS guidance has recently been updated to make it easier for employers to find the most relevant, up-to-date information.

If older guidance is still required, it can still be found within GOV.UK. On each guidance page, for example, 'check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme' or 'check which employees you can put on furlough to use the Coronavirus Job Retention Scheme', a link to previous guidance can be found in boxes at the top of these pages. Archived older guidance can also be accessed via this [link](#).

As ever, HMRC is asking employers to stay vigilant about scams, which may mimic government messages as a way of appearing authentic and unthreatening. Search 'scams' on [GOV.UK](#) for information on how to recognise genuine HMRC contact. Employers can also forward suspicious emails claiming to be from HMRC to phishing@hmrc.gov.uk and texts to 60599.

Back to [Contents](#)

Coronavirus Job Retention Scheme guidance update 26.08.2020

27 August 2020

HMRC has updated the ['claim for wages through the Coronavirus Job Retention Scheme'](#) guidance page.

As widely documented, any employers wishing to make claims for more than 100 employees can use the [template](#) provided and upload this when they claim. The guidance has been updated to advise employers that, if the information within the template is not in the correct format, then it may be rejected. The file will be accepted as .xls, .xlsx, .csv or .ods.

In order to complete the template, the claimant must have the following information for each employee:

- Full name
- National Insurance number
- Payroll number (optional)
- Furlough start date
- Furlough end date
- Full amount claimed

For any flexibly furloughed employees, the following additional information is required:

- Number of usual hours the employee would ordinarily work in the claim period
- The number of hours the employee has, or will, work in the claim period
- Employers will need to keep a record of the number of furloughed hours their employee has been furloughed in the claim period

Claimants must ensure that they:

- Only provide the information as listed above – providing more or less information than required means that payment may be delayed and HMRC may require them to provide the information again
- Submit one line per employee for the whole period
- Do not break up the calculation into multiple periods within the claim
- Do not split data by contract type, for example, those paid weekly and monthly should be claimed for together

Back to [Contents](#)

Coronavirus Job Retention Scheme submission deadlines

1 September 2020

The CIPP has received several reports of employers voicing their concern about a deadline that has been placed on Coronavirus Job Retention Scheme (CJRS) submissions relating to the claim period ending on 31 July 2020.

A number of businesses believed that there was a deadline of 31 August 2020 for submitting claims relating to the period ending 31 July 2020. We can, however, confirm that there are no established deadlines at this point in time, other than the historic deadline of 31 July 2020, which was for any claims for periods ending on or before 30 June 2020, when the scheme transitioned from fixed furlough to flexible furlough, and employers were given the opportunity to bring employees back on a part-time basis.

There will undoubtedly be a deadline for submitting claims ending on 31 October 2020 - the point at which the scheme closes. There is no officially confirmed deadline for those claim periods at the time of writing. As soon as a date is confirmed, we will notify members via News Online.

Back to [Contents](#)

Guidance on Coronavirus Job Retention Scheme template updated

9 September 2020

HMRC has added to the guidance page that discusses how to [‘Claim for wages through the coronavirus job retention scheme’](#) to give further advice for those submitting claims for more than 100 furloughed staff, using the template provided.

Any claimants who are using the template must ensure that they advise HMRC where employees have returned from statutory leave and have been placed on furlough. As a reminder, when using the template, claimants must also follow the following rules:

- They must only provide relevant employee information – adding more, or not enough, detail could risk a delay in payment, and claimants may be asked to provide the information again
- They must submit only one line per employee for the whole claim period
- They must not break up the calculation into multiple periods within the claim
- They must not split data by contract type, so, for example, employees paid on a weekly and those paid on a monthly basis should be claimed for together
- They must upload their file in one of the following formats- .xls, .xlsx, .csv or .ods

Back to [Contents](#)

HMRC’s Chief Executive discusses the tax gap, EU transition and the Coronavirus Job Retention Scheme

9 September 2020

HMRC’s Chief Executive and First Permanent Secretary, Jim Harra, [spoke](#) at the Public Accounts Committee on a variety of topics, focusing on the tax gap, the EU transition and of course, the Coronavirus Job Retention Scheme (CJRS).

He confirmed that the tax gap in the UK is at its lowest ever level and counts itself as one of the smallest in the world. The tax gap is the difference between the amount of tax that should have been paid, and the amount that has actually been paid, and for 2018-19, it has been confirmed that tax revenue was £627.9 billion – 95% of the tax due. There has been an increase of 3.6%, or £22.1 billion, from the amounts collected in tax year 2017-18.

Mr. Harra was asked how HMRC is ensuring compliance with the CJRS, and to give a prediction on the amount of error and fraud. Ordinarily, past evidence would be used as the basis on which to estimate future fraud and error levels, but as the CJRS has only recently been implemented, in rapid response to the outbreak of coronavirus, there is no such evidence available. HMRC has, therefore, utilised evidence of fraud in the tax credit scheme, as this is the best possible grant and benefit scheme for comparison.

The comparison techniques being used are less than ideal as the people that apply for the tax credit scheme are very different to employers who are applying for the CJRS. HMRC has also warned that the nature of the threat to the UK economy is different to anything that has ever been observed in the past.

It is expected that the level of error and fraud could sit anywhere between 5-10%, but this comes with the caveat that the CJRS, again, is unlike anything that the UK has ever seen before. HMRC has already put preventative measures in place to attempt to combat fraud, through the design of the system, and the fact that HMRC is involved in the process prior to payments being made. Updates will be provided, along with associated figures, at the end of 2020 and then again in Spring 2021. It is HMRC’s intention to release a publication detailing the full estimate of error and fraud, in 2022.

More information about these subjects can be heard in the [recording](#).

Back to [Contents](#)

Quick Poll results: 52% confirm that they have had to adapt their processes to ensure compliance with the CJRS and record checking due to the eligibility for the Job Retention Bonus

10 September 2020

In the final of a trilogy of questions on the topic of the Job Retention Bonus, the CIPP's Policy and Research team launched a Quick Poll which asked if payroll teams have had to amend their processes in order to ensure compliance with the Coronavirus Job Retention Scheme (CJRS), and to confirm that their employee records are up-to-date, as accuracy is key when considering eligibility for the Job Retention Bonus.

Gov.UK [guidance](#) on the Job Retention Bonus clearly states:

"Employers should ensure that their employee records are up-to-date, including accurately reporting their employee's details and wages on the Full Payment Submission (FPS) through the Real Time Information (RTI) reporting system. Employers should also make sure all of their Coronavirus Job Retention Scheme claims have been accurately submitted and any necessary amendments have been notified to HMRC."

The question on the News Online page asked:

"Have you had to change your processes to ensure full compliance with the Coronavirus Job Retention Scheme and record checking due to the eligibility criteria for the Job Retention Bonus?"

Yes: 52%

No: 48%

Whilst there isn't a massive difference in the response rates, the majority of respondents have confirmed that they did indeed have to change their processes. This suggests that many of those who have claimed under the CJRS may have submitted erroneous claims and / or that they have needed to check all of their employee records in order to guarantee that all information is accurate and up to date. For those who have not needed to alter their processes, they will have had to guarantee that they had robust audit and checking processes in place, to prevent the withholding of bonus payments, or the need to repay any CJRS overclaims.

The Job Retention Bonus will be payable to eligible businesses who bring furloughed staff back to the office, from November 2020 until January 2021, and pay an average of £520 per month.

Back to [Contents](#)

Update to CJRS claim calculations guidance

15 September 2020

HMRC has updated [guidance](#) on specific calculations in relation to claims made under the Coronavirus Job Retention Scheme (CJRS).

Where an employee is taken off furlough or flexible furlough part way through a claim period, their employer should only calculate the amount to be paid on the basis of the days that the employee was on furlough. This is true even if the employer has to claim through the service for a longer period in order to align their claims.

HMRC has additionally confirmed that employers who have historically used this calculation will not need to adjust their previous claims but should use the new calculation process going forward.

The below example is provided on the guidance page:

"Employee has a calendar month pay period and usually works 40 hours per week. The employee was paid £2,000 in the last full monthly pay period before 19 March 2020. The employee was furloughed continuously from 13 April to 30 June. They are flexibly furloughed from 1 July, working 10 hours per week. The flexible furlough agreement ends on 12 July and the employee returns to work their full usual hours from 13 July."

The employer works out 80% of the employee's wage:

1. Start with £2,000 (employee's wages)
2. Divide by 31 (the total number of days in July)
3. Multiply by 12 (the number of furlough days in July)
4. Multiply by 80% - which is £619.35

The employer should disregard any usual hours, working hours and furloughed hours after 12 July because the employee is no longer furloughed after that date, even if the employer has to claim for a longer period such as 1 - 31 July (for example to align claim periods when claiming for multiple employees)."

Back to [Contents](#)

Arrests made in £70,000 furlough fraud investigation

16 September 2020

A 43 year-old male accountant, from Romford and a 51 year-old female company director from Walthamstow have both been arrested on suspicion of fraud by false representation and money laundering. The accountant was also accused of fraud by abuse of position.

The arrests were made in connection with fraud relating to the Coronavirus Job Retention Scheme (CJRS) equalling £70,000. Both individuals have since been released under investigation, but devices and business records have been retained by police.

Personnel Today [reported](#) that the assistant director of the Fraud Investigation Service at HMRC, Terry Braithwaite, commented:

"The CJRS is part of the collective national effort to protect jobs. While most employers have used the scheme responsibly, this is taxpayers' money and HMRC will not hesitate to act on reports of abuse of the scheme."

The Chief Executive and Permanent Secretary of HMRC, Jim Harra, confirmed that it is expected that anything up to £3.6 billion in furlough payments have been claimed either erroneously or fraudulently, and that HMRC is currently investigating 27,000 cases where it is thought that too much money has been claimed by businesses. Statistics reveal that, to date, HMRC has paid out over £35.4 billion through the CJRS which has supported 1.2 million organisations, and 9.6 million furloughed employees.

Mr. Harra said:

"We have made an assumption for the purposes of our planning that the error and fraud rate in this scheme could be between 5% and 10%. That will range from deliberate fraud through to error."

This is not the first case of arrests being made in connection with suspected furlough fraud. Back in July 2020, arrests were made in the West Midlands in relation to a suspected £495,000 fraud.

HMRC has already started writing letters to approximately 3,000 businesses per week, who are believed to have made claims for too much money through the scheme. This is based on information that HMRC has access to on those businesses.

CIPP comment

There has been much focus on the accuracy of CJRS claims, and businesses have been made aware that if they have made an error, any excess money received must be notified and returned to HMRC. This can be done as part of a company's subsequent online claim or by contacting HMRC directly. Any businesses wishing to claim the Job Retention Bonus (JRB) will need to ensure that their CJRS claims have been accurately submitted and that HMRC has been advised of any amendments, where applicable.

Back to [Contents](#)

Bank of England governor advises the government to amend its plans for the CJRS

24 September 2020

Andrew Bailey, governor of the Bank of England has urged the government to “stop and rethink” how it ends the Coronavirus Job Retention Scheme (CJRS), which is due to close at the end of October 2020.

Whilst speaking on a webinar, he suggested that there are certain sectors that will require additional help, as some firms will struggle to carry on employing staff when the scheme ends, leading to a sharp increase in unemployment. This contrasts with his statement back in August, when he confirmed that he backed the ending of the scheme, indicating that workers should be helped to move on, as opposed to remaining in unproductive jobs. However, he has now shown that he is receptive to further intervention by the government to help protect employment.

The BBC [reported](#) that Mr. Bailey had said that the CJRS “has been successful”. He also stated:

"We have moved from a world of generalised employment protections, to specific and focused areas.

[Furlough] has helped manage the shock, to firms and to labour [but now] the use of it, as far as we can tell, is more concentrated.

I think it is therefore sensible to stop and rethink the approach going forward, without any commitment to what that might be."

It is thought that approximately 30% of private sector employers were making use of the CJRS at the peak of the pandemic, but now the heaviest reliance on it is in industries including hospitality, retail and culture.

Mr. Bailey's comments were made a mere matter of hours prior to prime minister, Boris Johnson, announcing new restrictions in England, implemented to attempt to stop the spread of coronavirus, as it is feared that a 'second wave' is incoming.

Back to [Contents](#)

£39.3 billion paid out in claims under the CJRS

24 September 2020

The [latest figures](#) released by HMRC reveal that, as of midnight on 20 September 2020, £39.3 billion has been paid out to businesses under the Coronavirus Job Retention Scheme (CJRS). This is an increase from £35.4 billion recorded in relation to 16 August 2020.

The total number of jobs furloughed has remained at 9.6 million since 2 August 2020, but this is in line with guidance that stated that, from 1 July 2020 onwards, the maximum number of employees placed on furlough must not exceed the maximum included in a previous claim. The number of employers claiming through the scheme has also remained unchanged and has stood at 1.2 million since data extracted from 12 July 2020.

The scheme is due to close at the end of October 2020, and in its final month will see the government paying 60% of wages up to a maximum cap of £1,875 for the month, for any hours that an employee was placed on furlough. Employers must pay employer National Insurance (NI) and pension contributions on all hours, including those spent on furlough, and must top up employees' wages to ensure they receive 80% of their wages for the time they are furloughed, up to a maximum cap of £2,500 for the month.

Back to [Contents](#)

Flexible furlough brought 20% of employees back to work

29 September 2020

HMRC have reported that nearly a million workers returned to their jobs part-time in the first month that flexible furlough was introduced.

On the 1 July, employers could allow employees to return to work on flexible arrangements but could still claim via the Coronavirus Job Retention Scheme (CJRS) covering 80% of employee's wages for any hours not worked.

It has been reported that 950,000 workers returned to offices, shops, restaurants, and factories on a part-time basis, which equated to 20% of those employees who were furloughed nationally.

Rishi Sunak, Chancellor of the Exchequer said:

"Figures show the success of our furlough scheme making sure people's jobs are there for them to return to. That so many businesses have been able to get back to trading and bring their staff back to the workplace is a testament to the impact the scheme has had."

At the peak of the pandemic 1.85 million employments in the retail and wholesale sector were furloughed, but by the end of July this number had fallen to 789,000, with more than a million people finishing furlough. New figures for the Self Employment Income Support Scheme (SEISS) also illustrate which sectors have taken up the second grant, with 693,000 claims worth £2 billion being made in the construction industry as the country's builders get back to work.

9.6 million jobs have been supported through the Coronavirus Job Retention Scheme which will cease on 31 October 2020. This support for furloughed workers and businesses will continue through the [Job Retention Bonus](#), and other interventions in the Chancellor's [Plan for Jobs](#) – including the [Kickstart scheme](#).

Back to [Contents](#)

Deadline for last claims under CJRS confirmed

5 October 2020

HMRC has [confirmed](#) that the final date for submitting any claims under the Coronavirus Job Retention Scheme (CJRS) will be 30 November 2020. It has stated that, after this point, there will be no option to make new claims, or to add to any previous claims.

The scheme closes at the end of this month, on 31 October 2020, and for any employers wishing to use it, the Job Support Scheme (JSS) becomes active from 1 November 2020, but aims to ensure that employees are in 'viable employment', and are working at least a third of their usual hours.

The CJRS has been in place since March 2020, at which point the government funded 80% of an employee's usual wages, plus the associated employer National Insurance (NI) contributions and minimum compulsory pension contributions. The level of funding is gradually being withdrawn, and for claims relating to October, the Government will pay 60% of employee wages, ahead of the scheme's closure.

Back to [Contents](#)

Penalties for erroneous CJRS claims confirmed

13 October 2020

As widely publicised, HMRC is encouraging anyone who has made claims under the Coronavirus Job Retention Scheme (CJRS) to check their previous submissions to ensure that they do not receive any penalties for claiming too much under the scheme, or for claiming in error.

If businesses realise that they have claimed too much under the scheme, and it has not already been repaid, then HMRC must be notified, and any overpaid amounts repaid by whichever date is applicable from the following:

- 90 days from receipt of the money under the CJRS that the claimant was not entitled to
- 90 days from the point at which circumstances changed which meant that the claimant was no longer entitled to keep the CJRS grant
- 20 October 2020, if, on or before 22 July, the claimant received CJRS funds that they were not entitled to, or if their circumstances changed

Failure to adhere to these deadlines may mean that the claimant has to pay interest and also a penalty, in addition to repaying the amount of the CJRS grant that they were not entitled to.

There is [guidance](#), published by HMRC, which discusses the interest rates that are applicable on late or early payments across all tax regimes, which would also apply to incorrect claims made under the CJRS.

Back to [Contents](#)

Upcoming deadline for reporting CJRS overclaims

20 October 2020

Any businesses that have claimed too much under the Coronavirus Job Retention Scheme (CJRS), or who have claimed in error must report this to HMRC within a certain timeframe.

In the scenario where an overpayment has been made, and it has not yet been repaid, companies need to notify HMRC within the 'notification period'. This ends on whichever of the following dates is later:

- 90 days after the relevant grant was received (if this was more than the correct amount)
- 90 days after the date that circumstances changed, meaning they were no longer entitled to the CJRS grant
- 20 October 2020

If there are any subsequent claims to be made under the scheme, then the adjustment can be made within that additional claim. If, however, no further claims are to be made, then a payment reference number must be obtained prior to making a payment to HMRC. Following on from the date that the payment reference number is provided, there is a 30-day period in which to pay HMRC back.

Payments can be made online, or by telephone banking, CHAPS, BACS or by using a debit card or corporate credit card. Faster payments can also be made to HMRC's account.

If the deadlines are not met, then claimants may have to pay a penalty. If, however, the overclaimed grant is repaid, this will prevent any potential tax liability in relation to the overpayment of the CJRS.

Guidance is available on the topic of paying CJRS grants back on [GOV.UK](#).

Back to [Contents](#)

Closing date for submitting CJRS claims approaches

26 October 2020

As the deadline for making claims under the Coronavirus Job Retention Scheme (CJRS) rapidly approaches, on 30 November 2020, following the scheme's closure on 31 October 2020, payroll professionals are reminded, not only of timeframes, but also of the importance of ensuring accuracy within their claims, along with the process to follow where any overpayments have been identified.

There is [guidance](#) available which details the steps that claimants have to take in order to repay all, or some of, their grant back. The information provided can also apply where a claimant wants to make a voluntary repayment because they do not want or need the grant for the purposes of paying the wages of employees.

Corrections can either be made by making the relevant adjustments [within the next claim](#) that is submitted, or a payment reference number can be generated if no further claims are to be sent. The reference number is generated via the [online service](#), and there is a period of 30 days from the date it is provided in which to make payment to HMRC.

It is imperative for claimants to use the correct reference number so that HMRC can allocate the payment correctly, and no payments should be made prior to the generation of that reference number.

Payments can be made by Faster Payments, CHAPS, BACS, by debit card or by corporate credit card.

In scenarios where an overclaim has not yet been paid back to HMRC, claimants have a period of time in which to notify HMRC, and this is the latest of:

- 90 days after the date the grant they were not entitled to was received
- 90 days after the date the grant they were no longer entitled to keep because their circumstances has changed was received

Previously, 20 October 2020 was one of the deadline dates but that has now passed.

Claimants who do not adhere to these deadlines may be required to pay a penalty.

Back to [Contents](#)

Archived CJRS guidance

29 October 2020

All of the archived guidance relating to the Coronavirus Job Retention Scheme (CJRS) has been made available on [Gov.UK](#). This will be useful for anybody who wishes to check the claims that they made relating to periods ending on or before 30 June 2020.

This will be particularly helpful in the event that HMRC audits or checks a historic claim, as payroll professionals will be able to demonstrate which iteration of guidance they used to arrive at their calculation figures.

The guidance was archived on 3 August 2020 in recognition of the fact that 31 July 2020 was the final date for submitting claims in relation to periods ending on or before 30 June 2020. This was to ensure that guidance for submitting new claims was easy to navigate, and that only relevant information was available.

In order to locate previous versions of CJRS guidance while using the archive, the ['Search' function](#) can be used by entering the URL relevant to the specific CJRS guidance page that an individual wishes to view, enabling access to saved versions of the page from each individual day since that guidance page was first published on Gov.UK. A table is provided that gives a list of each of the main CJRS guidance pages:

CJRS Guidance Page	UK Government Web Archive Page
Check if you can claim for your employee's wages through the Coronavirus Job Retention Scheme	https://webarchive.nationalarchives.gov.uk*/https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme
Check which employees you can put on furlough to use the Coronavirus Job Retention Scheme	https://webarchive.nationalarchives.gov.uk*/https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme
Steps to take before calculating your claim using the Coronavirus Job Retention Scheme	https://webarchive.nationalarchives.gov.uk*/https://www.gov.uk/guidance/steps-to-take-before-calculating-your-claim-using-the-coronavirus-job-retention-scheme
Calculate how much you can claim using the Coronavirus Job Retention Scheme	https://webarchive.nationalarchives.gov.uk*/https://www.gov.uk/guidance/calculate-how-much-you-can-claim-using-the-coronavirus-job-retention-scheme
Claim for wages through the Coronavirus Job Retention Scheme	https://webarchive.nationalarchives.gov.uk*/https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme

Reporting employees' wages to HMRC when you've claimed through the Coronavirus Job Retention Scheme	https://webarchive.nationalarchives.gov.uk/*https://www.gov.uk/guidance/reporting-payments-in-payee-real-time-information-from-the-coronavirus-job-retention-scheme
Check if your employer can use the Coronavirus Job Retention Scheme (Employee Page)	https://webarchive.nationalarchives.gov.uk/*https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme

Back to [Contents](#)

Job Support Scheme (JSS) guidance published and scheme postponed – CJRS is to be extended

2 November 2020

HMRC have published full guidance on the Job Support Scheme which was due to come in to force from 1 November, but has been postponed.

On Saturday 31 October, on the eve of JSS go live, the Prime Minister, Boris Johnson, announced that there would be another period of lockdown in England, beginning on Thursday 5 November, to last for four weeks.

Following the update, the Treasury published an [announcement](#) from the Chancellor to inform us that the Furlough scheme would, as a result of the lockdown, be extended to December.

Furloughed employees will continue to receive 80% of their usual pay for hours not worked, up to a maximum of £2,500. Employers will only need to fund the Employer NIC and Minimum Pension oncosts.

Additional support for business will also include, for business premises forced to close in England, grants worth up to £3,000 per month under the Local Restrictions Support Grant and the mortgage holidays will also no longer end on 31 October as expected.

Chancellor Rishi Sunak said:

“Over the past eight months of this crisis we have helped millions of people to continue to provide for their families. But now - along with many other countries around the world - we face a tough winter ahead.

I have always said that we will do whatever it takes as the situation evolves. Now, as restrictions get tougher, we are taking steps to provide further financial support to protect jobs and businesses. These changes will provide a vital safety net for people across the UK.”

Key Features of CJRS

- This extended Job Retention Scheme will operate as the previous scheme did, with businesses being paid upfront to cover wages costs. There will be a short period when we need to change the legal terms of the scheme and update the system and businesses will be paid in arrears for that period.
- The CJRS is being extended until December. The level of the grant will mirror levels available under the CJRS in August, so the government will pay 80% of wages up to a cap of £2,500 and employers will pay employer National Insurance Contributions (NICs) and pension contributions only for the hours the employee does not work.
- As under the current CJRS, flexible furloughing will be allowed in addition to full-time furloughing.
- Further details, including how to claim this extended support through an updated claims service, will be provided shortly.
- The Job Support Scheme will be introduced following the end of the CJRS.

Eligibility - employers

- All employers with a UK bank account and UK PAYE schemes can claim the grant. Neither the employer nor the employee needs to have previously used the CJRS.

- The government expects that publicly funded organisations will not use the scheme, as has already been the case for CJRS, but partially publicly funded organisations may be eligible where their private revenues have been disrupted. All other eligibility requirements apply to these employers.

Eligibility - employees

- To be eligible to be claimed for under this extension, employees must be on an employer's PAYE payroll by 23:59 30th October 2020. This means a Real Time Information (RTI) submission notifying payment for that employee to HMRC must have been made on or before 30th October 2020.
- Employees can be on any type of contract. Employers will be able to agree any working arrangements with employees.
- Employers can claim the grant for the hours their employees are not working, calculated by reference to their usual hours worked in a claim period. Such calculations will broadly follow the same methodology as currently under the CJRS.
- When claiming the CJRS grant for furloughed hours, employers will need to report and claim for a minimum period of 7 consecutive calendar days.
- Employers will need to report hours worked and the usual hours an employee would be expected to work in a claim period.
- For worked hours, employees will be paid by their employer subject to their employment contract and employers will be responsible for paying the tax and NICs due on those amounts.

CJRS funding:

- For hours not worked by the employee, the government will pay 80% of wages up to a cap of £2,500. The grant must be paid to the employee in full.
- Employers will pay employer NICs and pension contributions and should continue to pay the employee for hours worked in the normal way.
- As with the current CJRS, employers are still able to choose to top up employee wages above the scheme grant at their own expense if they wish.
- The Government will confirm shortly when claims can first be made in respect of employee wage costs during November, but there will be no gap in eligibility for support between the previously announced end-date of CJRS and this extension.

Job Support Scheme (JSS)

The Job Support Scheme has now been postponed until furlough scheme ends and guidance that was published late on Friday 30 October has been withdrawn.

The landing page to [JSS](#) leads to further information on both [JSS Open](#) which will be available for employers where their employees are able to work for a minimum of 20% of their usual hours, but their normally working hours have been restricted by Coronavirus restrictions.

[JSS Closed](#) is for businesses who have been forced to closed due to coronavirus restrictions.

Back to [Contents](#)

HMRC confirms that employees can be brought back for CJRS purposes

4 November 2020

HMRC have confirmed that employers can re-employ employees who have been made redundant so that they can be placed on furlough, providing eligibility criteria in met.

In correspondence issued by Jim Harra, Chief Executive and Permanent Secretary today (3 November), confirmed that eligibility to the extended CJRS scheme will also be extended where an employer re-employees an employee if they were made redundant or stopped working for them providing that:

- The employee was on an employer's payroll on 23 September 2020 and a PAYE Real Time Information (RTI) submission, including them, was sent on or before this date
- Were made redundant or stopped working for them on or after 23 September 2020

Eligibility has also been confirmed, advising that employers can claim for employees who were on their PAYE payroll on 30 October 2020. Employers must have made a PAYE RTI submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee to qualify.

Neither the employer nor employee needs to have previously used the CJRS, with further details on eligibility promised to be imminent.

Employers are advised that they will be able to claim either shortly before, during or after running their payroll. There will be a short period initially when the online claims service will be closed whilst the system is updated therefore, employers will be able to claim in arrears for that period that they are unable to access the system.

As a reminder...

The extension to the scheme will see the UK Government paying 80% of wages for the hours furloughed employees do not work, up to a cap of £2,500 for periods from 1 November.

Employers will need to pay all employer National Insurance Contributions (NICs) and pension contributions. Employers can choose to top up their furloughed employees' wages beyond the 80% paid by the UK Government for hours not worked, but they are not required to do so.

Employers will have flexibility to ask their employees to work on a part-time basis and furlough them for the rest of their usual working hours, or furlough them full-time. Employers will have to cover their wages for any hours they work as well as all employer NICs and employer pension contributions.

As before, a written confirmation of new employment agreement must be issued and kept.

HMRC is asking that people do not call them requesting more information and that they will advise via email as soon as more information is available. In the meantime, employers are advised of the next steps to take in preparation to make their claims.

- Check which employees are eligible for the scheme, based on the information above.
- Agree working hours with employees, so employees know if they are furloughed fully or part-time during November.
- Keep all records that support the amount of CJRS grant claimed, in case HMRC need to check it. Employers can view, print or download copies of their previously submitted claims by logging onto their CJRS service on [GOV.UK](https://gov.uk).

Back to [Contents](#)

Employer and employee eligibility for the extended CJRS

6 November 2020

Following on from announcements made relating to the extension to the Coronavirus Job Retention Scheme (CJRS), a policy paper has been [published](#), which is applicable to claims for the periods between November 2020 and the end of January 2021.

Extended guidance is due to be released on 10 November 2020, and details relating to how the scheme will work from February 2021 – March 2021 will be provided following the Government's review of the scheme.

Businesses will want to start assessing if they, and their workers, are eligible for the scheme, and the policy paper provides extensive detail in that area.

Employer eligibility

There is no requirement for employers to have accessed the CJRS previously in order for them to claim under the extended scheme, and businesses across the UK are able to claim, regardless of whether they are open or closed.

The expectation is that publicly funded organisations will not utilise the scheme, as previously with the CJRS, but partially publicly funded organisations could be eligible in scenarios where private revenue has been disturbed. All other CJRS eligibility criteria must be met in order for companies to use the scheme.

HMRC intends to publish the details of any employers making claims under the extended CJRS, from December 2020 onwards. Further details will be provided on 10 November, when full guidance is issued.

Employee eligibility

Employers may claim for any employees who were employed, and on PAYE payroll on 30 October 2020. A PAYE Real Time Information (RTI) submission must have been made to HMRC notifying payment of earnings for that employee between 20 March 2020 and 30 October 2020.

Employees can be placed on any shift pattern and be furloughed either on a full or part-time basis, with the option to vary the hours worked, as long as this is agreed between employer and employee. Employers will have the option to use the scheme for employees for any amount of time.

Employees can also be on any type of employment contract.

If employees have been furloughed previously, then the [same calculations for obtaining reference pay and usual hours](#) must be used as under the initial version of the CJRS.

For an employee who meets the criteria of the extended scheme, but who hasn't previously been eligible for CJRS then the alternative calculations of [reference pay](#) and [usual hours](#) have to be used. For any other employees, employers have to utilise the [CJRS calculations for calculating reference pay and usual hours](#).

Employers can claim for the same level of grant from the Government as observed under the scheme for August 2020, so for any hours not worked, employers will only be required to pay for employer National Insurance (NI) and pension contributions. This will be reviewed in January, and the level of support could change from February 2021. If employees work any hours as normal then the employer must pay them for that, plus the associated on-costs. Employees can be furloughed if they are unable to work because they:

- Are shielding, and following public health guidance, or are required to stay at home with somebody else who is shielding
- Have caring responsibilities resulting from coronavirus – this extends to employees required to look after children

The scheme is not intended for short-term sickness absences, but if employers wish to furlough employees who are currently off sick for business reasons, then they are able to do so.

Any furloughed employees who become ill, coronavirus-related or not, must be paid at least the level of Statutory Sick Pay (SSP). It is the employer's decision as to whether employees are placed onto SSP or kept on furlough.

Employees that were employed and on payroll as of 23 September 2020, who were made redundant or stopped working for their employer afterwards, can be re-employed and claimed for, but the employer must have made a PAYE RTI submission between 20 March 2020 and 23 September 2020, which included those employees. If an employee who was on a fixed term contract, and on payroll on 23 September 2020, had a contract that expired after that point, then they can be re-employed and claimed for, on the proviso that other eligibility criteria are met.

As under the original CJRS, employees are not permitted to complete any work for their employer that makes money or provides services for their employer, for hours that they are recorded as being on furlough. This extends to any organisation linked or associated with the employer. Employees are, however, free to participate in training, to volunteer for another organisation or to work for another employer, if their contract permits.

Employees retain their rights at work, including their right to SSP, annual leave, maternity and other parental rights, rights against unfair dismissal, redundancy payments and they are entitled to be paid at least the statutory National Minimum Wage (NMW) rates for any hours that they have worked.

The Working Tax Credits working hours easement will be applicable for the duration of the extension to the CJRS, and there will be no change from the initial CJRS for employees that are on statutory parental leave.

Back to [Contents](#)

Extended CJRS – conditions and calculations

6 November 2020

A [policy paper](#), published by HMRC examines some of the conditions around claiming under the Coronavirus Job Retention Scheme (CJRS), and also provides detail around the calculations that must be used for arriving at reclaim amounts, and usual hours worked.

There are a number of conditions that need to be considered when claiming the CJRS.

Employee taxes

Employees are required to pay taxes as normal from their wages, so employers must deduct Income Tax and employee National Insurance (NI) contributions on the full amount paid to employees, inclusive of any scheme grant. This will also need to be reported and paid across to HMRC as usual. The grant does not cover employers' NI or pension contributions, but these must also be paid to HMRC.

Employer and employee agreement

There is no requirement for businesses to place all of their staff on furlough, and employees can be fully furloughed if they wish, but employees are not permitted to carry out any work for their employer during the hours that they are recorded as being on furlough.

Flexible furlough agreements can be implemented for any amount of time, and there can be numerous flexible furlough arrangements made between employee and employer. Whilst flexible furlough agreements can last for any duration of time, the period claimed for must be for a minimum of seven consecutive calendar days.

Employers are able to fully furlough employees, so that they carry out no work for the employer, or have the option of flexibly furloughing employees, meaning that employees can work for any amount of time, on any work pattern, and employers can claim the grant for furloughed hours with reference to hours the employee would have ordinarily worked in that period.

Employers should hold discussions with staff and make any changes to employment contracts by agreement. Employment, equality and discrimination laws are applicable to the CJRS process, including when deciding who is to be placed on furlough. Employers must have confirmed in writing to their employee, or reached collective agreement with a trade union, that they have been either fully or flexibly furloughed.

Employers must ensure that the agreement is consistent with employment, equality and discrimination laws, they must keep a written record of the agreement for five years and also keep records of how many hours their employees work, and also the number of hours they are furloughed for, for a minimum of six years. There is no requirement, however, for employees to provide a written response.

The terms of any agreement must accurately reflect the hours an employee has actually worked or has not worked over the period of the agreement. The agreement must also allow the employer to satisfy the terms of CJRS enabling them to make a claim in relation to any hours not worked.

Flexible furlough or furlough agreements made retrospectively, with effect from 1 November 2020, are valid for the purposes of CJRS claims, as long as they are made in accordance with the conditions above. Only retrospective agreements implemented up to and including 13 November 2020 can be relied on for the purposes of a CJRS claim.

Calculations

The policy paper provides details of calculations for CJRS claims for periods starting on or after 1 November 2020. There is a reminder that claims up to and including 31 October 2020 must be submitted by no later than 30 November 2020.

Employees included on an RTI submission or, or prior to, 19 March 2020, will be able to use the CJRS calculations as applied in August 2020 for reference pay and usual hours. If, however, an employee was hired between 10 March 2020 and 30 October 2020, then the CJRS methodology will update the reference pay and usual hours to account for the period covered by the extension.

Any employees on fixed pay who were employed on, or following, 20 March 2020, will have the last pay period prior to 30 October 2020 used as the basis for the calculation. Any employees on variable pay or hours, who were employed after 20 March 2020, will have the average of tax year 2020-21 used as the basis for the calculation.

Previously eligible employees

For any employees who were eligible under the original CJRS, the existing calculation of 80% of usual wages and hours will apply, even in scenarios where a claim was not made in respect of those employees under CJRS to 31 October 2020.

If an employee was not previously eligible for the scheme, then the calculation takes account of updated reference periods. Further guidance on the calculation will be issued on 10 November 2020.

For claims relating to the dates between 1 November 2020 and 31 January 2021, employers will be entitled to claim a grant for 80% of usual wages, up to a maximum of £2,500 per month for the time that the employee spends on furlough.

Employers are required to pay their employees for the time worked and the Government grant for time not worked, they will need to operate PAYE on behalf of their employees and they must pay the employer NI and pension contributions for employees on the full amount that they pay to employees.

Employers are able to top up employee wages above the 80% if they wish, but this is not mandatory, and would be at the employer's own expense.

Reference pay: calculating 80% of wages

For employees who were not previously eligible for CJRS, 80% of wages should be calculated as follows:

- Fixed salary – 80% of wages payable in the last pay period ending on, or before, 30 October 2020
- Variable pay – 80% of the average pay between the start date of employment or 6 April 2021 (whichever is later) and the day before their CJRS extension furlough period begins

80% of wages is capped at the maximum wage amount, which is [calculated in the same way as it was under the initial CJRS](#).

Usual hours for an employee with a fixed number of hours, where pay does not vary on the basis of the number of hours worked

If an employee was not previously eligible for the CJRS, then the usual hours for an employee contracted to work a fixed number of hours, where their pay does not vary on the basis of the number of hours they work, will be the contracted hours worked in the last pay period ending on or before 30 October 2020.

An example is provided:

“Sam has been employed by A Ltd since April 2020. A Ltd was not eligible to claim a CJRS grant for Sam. Sam is paid weekly. Sam has always been contracted to work a fixed number of hours per week (30 hours), and their pay does not vary according to the number of hours they work.

For the claim period 16 November 2020 to 22 November 2020, Sam's usual hours will be 30 hours, being the number of hours Sam was contracted for on 25 October 2020, the end of the last pay period ending before 30 October.”

Usual hours for employees who work variable hours

If an employee was not previously eligible for the CJRS, then the usual hours will be the average hours worked between:

- The start date of 2020-21 tax year
- The day before the CJRS extension furlough period commences

Back to [Contents](#)

Submitting claims under the extended CJRS

9 November 2020

The [policy paper](#) released by HMRC that provides details around the extension to the Coronavirus Job Retention Scheme (CJRS) lays out some of the considerations for those intending to claim.

The extension operates similarly to how the previous scheme did, as far as:

- Claims must be for a minimum of seven consecutive calendar days
- Employers will be required to report actual hours worked; alongside the usual hours an employee would be expected to work in a claim period
- For any hours worked, the employer must pay employees in line with their contract, and the employer will be responsible for paying the associated on-costs

Claim periods must begin and end within the same calendar month, and where a pay period includes days extending over more than one month, each claim will need to be calculated separately. Claim periods must not overlap.

Claims can be made prior to a payroll run, whilst payroll is being run or after the point at which payroll has been run. Whilst legal terms of the scheme and system are updated, businesses will be required to claim in arrears for that period.

The original CJRS will close on 31 October 2020, and the extension to the scheme will begin on 1 November 2020. Employers will have the opportunity to claim from 8am on Wednesday 11 November 2020.

Claims that relate to November 2020 must be submitted by no later than 14 December 2020, and claims relating to each subsequent month should be sent by day 14 of the following month. Businesses are reminded that claims up to and including 31 October 2020 need to be submitted by 30 November 2020.

It is intended that grant payments will be received by businesses six working days after they make their claims. Agents authorised to act on behalf of their clients for PAYE online will also be able to submit claims for them. Further details will be provided within guidance.

Due to the fact that the CJRS has been extended, the Job Support Scheme (JSS) has been postponed, and similarly, so has the Job Retention Bonus (JRB), which will now not be paid out in February 2021.

[Back to Contents](#)

Calculator published for the extension to the CJRS

11 November 2020

A new [calculator](#) has been made available for use by those making claims under the extended Coronavirus Job Retention Scheme (CJRS).

The CJRS will now remain open until 31 March 2021, and for any claim periods prior to 31 January 2021, employees can receive 80% of their usual salary for hours not worked, up to a maximum of £2,500 per month.

The calculator is to be used for individual employees, for the claim period specified by the claimant. The calculator must be run separately for each employee being claimed for, and then all of the results combined to arrive at the overall claim figure. The calculations are broken down for each individual pay period to help employers to maintain accurate records.

The calculator can be used to claim for:

- Fully furloughed employees who aren't working any hours
- Employees who have been flexibly furloughed, and so will work some of their normal hours, from 1 July 2020 onwards
- The majority of employees who are paid on a weekly, two-weekly, four-weekly or monthly basis, in fixed pay periods
- Employees who have returned from statutory parental leave since 1 August 2020

The calculator cannot be used in relation to employees who have:

- An annual pay period
- Been transferred under The Transfer of Undertakings Protection of Employment (TUPE)
- Not been employed continuously prior to their period of furlough
- Returned from statutory parental leave in the last three months (if the claim period is in July or earlier)
- Received employer pension contributions outside of an auto-enrolment pension scheme
- Ended furlough and then resumed furlough again within the same claim period

For these scenarios, the [calculation guidance](#) should be used or professional advice obtained. Claimants are reminded that it is their responsibility to ensure that the claim amount is correct.

Prior to submitting a claim, claimants will require:

- The claim start date
- The claim end date
- Pay dates
- Dates of pay periods
- Regular payment amounts
- Additional payments (e.g. tips, discretionary bonuses and non-cash payments)
- Date furlough ended, if it is not ongoing

If an employee is flexibly furloughed, there are additional requirements:

- Employee's usual hours
- Actual hours worked
- Hours spent on furlough

Back to [Contents](#)

Data protection

H&M Group fined £32.1 million for GDPR breach

8 October 2020

Clothing company, H&M Group, has been fined €35.3 million, equivalent to £32.1 million, in relation to employment-related privacy breaches. The fine was issued by an information commissioner in Germany, and is the largest of its kind that has been issued, since the General Data Protection Regulation (GDPR) was implemented in the European Union (EU) back in 2018.

It was found that, since 2014, team leaders were holding back-to-work style interviews or informal chats after employees had a period of sickness-related absence or if they had been on holiday, even in scenarios where the period of leave was only for a short amount of time. Information from these conversations would be recorded, and would include details relating employee illnesses, activities they had undertaken on holiday, family issues and also the religious beliefs of members of staff. The company was fined due to the fact that it showed a serious disregard for employee data protection.

The personal information collected from employees during this time was regularly updated and digitally stored, in a location where it could be accessed by up to 50 other managers within the company. This was in addition to the fact that managers were acquiring information about the private lives of staff. The personal data was stored alongside performance evaluations in order to create "profiles" of staff, which it was hoped would steer any employment decisions that needed to be made.

The practices taking place within the company were highlighted when an IT error resulted in the records of employees becoming accessible to the whole company for a period of a few hours in October 2019.

Personnel Today [reported](#) that the Hamburg commissioner for data protection and freedom of information, Professor Johannes Caspar, said:

“This case documents a serious disregard for employee data protection at the H&M site in Nuremberg. The fine imposed is appropriate and will deter companies from violating their employees’ privacy.”

Companies who are found to be in breach of GDPR can be issued with fines potentially reaching €20 million or 4% of their annual global turnover. The fine imposed will equate to the higher of the two amounts.

As a result of the investigation and subsequent fine, H&M has confirmed that it has already started to make various data-related improvements at its Nuremberg service centre, and has started to introduce internal audits that look at data compliance. It has also began delivering training sessions to ensure that leaders create a safe and compliant work environment. Additionally, any individuals currently employed at the service centre, and those employed for at least one month since May 2018, will receive some form of financial compensation.

H&M Group stated:

“The incident revealed practices for processing employees’ personal data that were not in line with H&M’s guidelines and instructions.

H&M takes full responsibility and wishes to make an unreserved apology to the employees at the service centre in Nuremberg.”

Back to [Contents](#)

Employment News

Employment Law & Guidance

Employment Tribunals

Continuation of employment

27 May 2020

What work might count towards a period of continuous employment?

With thanks to Daniel Barnett’s [Employment Law Bulletin](#)

Did unofficial work prior to a formal start date count towards a period of continuous employment?

Not on the facts, held the EAT in [Mr R O’Sullivan v DSM Demolition Ltd](#)

Mr O’Sullivan needed two years’ continuous employment to pursue a claim for unfair dismissal against DSM Demolition Ltd. The dispute turned on his start date. DSM maintained the start date was 2 November 2015. Mr O’Sullivan claimed it was 26 October 2015.

Section 211(1)(a) of the Employment Rights Act 1996 provides that a period of continuous employment begins “with the day on which the employee starts work”. This means the start date of work under a contract with the employer. An employment tribunal found that Mr O’Sullivan had done work on site in the week of 26 October 2015. But a statement of terms of employment had been drawn up with a 2 November 2015 start date. Additionally, Mr O’Sullivan was not put on to the payroll until that date. It was only from that date that worksheets were completed. DSM’s client was not charged for Mr O’Sullivan’s work in the week of 26 October. And, finally, Mr O’Sullivan had been paid £100 in cash in hand for the week in question.

The EAT held the tribunal was entitled to conclude that Mr O'Sullivan had worked in the week of 26 October 2015 under an 'unofficial' arrangement, and not under a contract of employment.

In [Koenig v Mind Gym Limited](#) Langstaff J stated:

"Work outside a contract of employment, though it might have some relationship to it, cannot count. At times it may be difficult to see precisely where the dividing line is. That is the task of the Employment Judge".

[Here](#), the tribunal had made necessary and proper findings to support its conclusion, and its decision was adequately reasoned. The result was that Mr O'Sullivan fell short of the necessary qualifying period for his claim.

Back to [Contents](#)

Disability Discrimination

28 May 2020

Can you refuse to postpone a hearing to allow a medical report?

With thanks to Daniel Barnett's [Employment Law Bulletin](#)

Was a refusal to postpone a hearing to allow a medical report to be obtained an error of law?

Not on the facts of the case, held the [Court of Appeal in Morton v Eastleigh CAB](#).

The Claimant was dismissed in November 2016. She brought claims of disability discrimination concerning her eating disorder, depression, anxiety and agoraphobia.

In July 2017 the Parties were ordered to obtain a joint medical report should the CAB not concede the Claimant was disabled. The reasons for the CAB's denial of disability in its ET3 and statement lodged in August had allowed the Claimant to set out a detailed reply in support of her case.

The CAB conceded one of the disabilities and denied the need for the report. Initially one employment judge directed the report was still required, but 11 days before the preliminary hearing a second judge set this aside.

The Claimant repeated her request for a joint report on 23 October and asked for a postponement of the preliminary hearing set for 30 October. The CAB then set out further argument on 24th October, triggering a further application for postponement again asking for a joint report, or to instruct her own expert if that was refused. The application was rejected on the working day prior to the hearing by another employment judge and, when the application was again made at the hearing citing several grounds, refused by the employment judge.

The Claimant appealed to the EAT and then the Court of Appeal, alleging that it was perverse for her application to be refused, particularly in the light of the previous conflicting decisions about the need for a joint report.

Dismissing the appeal, the Court reminded itself that r.30A(2) Employment Tribunal Rules requires 'exceptional circumstances' to grant postponement applications made within seven days of a hearing.

Whilst there was conflict in the judicial decisions on the report, neither dealt with a postponement and the order that no joint medical report was required had not been appealed. An application for a postponement was a case management issue and the employment judge had a wide discretion in deciding whether or not to grant it. The Claimant had sufficient information to deal with the issue of whether she was disabled and had been capable of instructing her own expert in time for the hearing.

Back to [Contents](#)

Employment Tribunals – New road map

3 June 2020

Presidents of the Employment Tribunals have updated their FAQ documents to reflect how tribunals will operate during COVID-19.

With thanks to Daniel Barnett's [Employment Law Bulletin](#).

The Presidents of the Employment Tribunals (E&W, and Scotland) have updated their [FAQ document](#) containing details of how tribunals will operate during the coronavirus crisis.

There is a [new road map](#) (from page 19). You need to read the whole document, but in summary:-

June 2020: some hearings will start using the Cloud Video Platform developed by the Ministry of Justice, mainly straightforward money claims where there is little or no disputed evidence. However, most hearings will not take place during June.

July/Aug 2020: some standard track cases (typically unfair dismissal) will be heard remotely, and some short-track (simple money claims) and preliminary hearings will begin to be heard in person at tribunals which are ready to embrace social distancing measures. It is unlikely open track cases (eg discrimination) will be heard, because few wing members will have been trained in the Cloud Video Platform.

Sept/Oct 2020: tribunals will begin to determine open-track cases using the Cloud Video Platform, with a small number of in-person hearings or hybrid hearings.

Nov/Dec 2020: this will be used as a period of consolidation and review.

The roadmap remarks that these are aspirations, and are contingent - in part - on increased staff numbers (especially in the London regions). It also emphasises that different ET regions are likely to go at different speeds, given the variable distribution of HMCTS staff.

As well as the roadmap, the answers to FAQs 2, 3, 9, 10 and 15 have been updated, and there are new FAQs 21, 22 and 25.

Back to [Contents](#)

DWP loses Court of Appeal case relating to Universal Credit

30 June 2020

The Department for Work and Pensions (DWP) has lost a [Court of Appeal Case](#), relating to four single mothers who experienced severe financial hardship due to extreme variations in the Universal Credit payments that they received as a result of a technical issue.

The court ruled that issues around Universal Credit, which arise when workers get paid by their employer on a different day to their standard pay day, as the normal date falls on a weekend day or a bank holiday, were "irrational". This is because the system incorrectly interprets that workers have been paid twice in one Universal Credit assessment period and has frequently resulted in individuals receiving significantly lower benefits payments on which to live.

The DWP lost the case at High Court in January 2019 and appealed, but the Court of Appeal has now rejected, and ruled in favour of the workers, and not DWP.

The four mothers were forced to borrow money, access food banks and fell into rent arrears. One of the claimants confirmed that the issue with the system meant that she could lose anything up to £500 per year.

It is estimated that approximately 85,000 Universal Credit claimants could be affected by the ruling, and the three judges at the Court of Appeal ruled that:

“The failure of the Secretary of State to ensure that the regulations cater for the phenomenon of ‘non-banking day salary shift’ is unlawful”.

Lady Justice Rose said:

“The threshold for establishing irrationality is very high, but it is not insuperable. This case is, in my judgment, one of the rare instances where the Secretary of State for Work and Pensions’ (SSWP) refusal to put in place a solution to this very specific problem is so irrational that I have concluded that the threshold is met because no reasonable SSWP would have struck the balance in that way.”

CIPP comment

The CIPP welcomes this decision that finally sees a resolution to this long-standing problem, and we look forward to seeing the government address this. The CIPP annual payslip survey results fed in to some of the research and evidence presented at this case and we thank everyone who continues to feed in to this valuable annual survey. See the latest edition [here](#).

Back to [Contents](#)

High Court ruling on Coronavirus Job Retention Scheme and limb (b) workers

1 July 2020

Two Uber drivers, alongside the Independent Workers’ Union of Great Britain, made an application to the High Court for a judicial review of the Coronavirus Job Retention Scheme (CJRS) and Statutory Sick Pay (SSP). The High Court rejected this application, and therefore, no such review will take place.

[The High Court](#) ruled that government decisions relating to the CJRS and SSP were not unlawful in relation to ‘limb b workers’. Speaking on behalf of one of the claimants, Mr. Adiatu, who is a private hire driver for Uber, the Court heard that-

“His income decreased dramatically in March 2020 and he could not afford to pay for his private hire vehicle licence renewal in April 2020 so is now unable to work, and has fallen into rent arrears. He has a wife and four children aged from 7 months to 12 years, two in the UK and two in Egypt. In his first witness statement he understandably described his financial situation as ‘dire and terrifying’. More recently he has received a payment under the Self-Employed Income Support Scheme, but the financial pressures on him remain severe.

The judges also explained-

Uber drivers such as Mr Adiatu were held by the Court of Appeal in Uber BV v Aslam to be workers within the scope of s 230(3)(b) of the Employment Rights Act 1996 (though an appeal by Uber from that decision is shortly to be heard by the Supreme Court). Such workers occupy an intermediate status between those working under a contract of employment and the genuinely self-employed. The universal, if inelegant, abbreviation used by lawyers (and by the Government in some official documents) is ‘limb b workers’.

Mr. Adiatu and another claimant who eventually withdrew from proceedings maintained that it was unlawful to:

- Exclude limb (b) workers from the CJRS
- Amend the scheme for SSP in response to coronavirus without
 - Including limb (b) workers within the scheme
 - Raising the level of SSP
 - Removing the Lower Earnings Limit (LEL)
 -

Lord Justice Bean and Mr Justice Cavanagh explained that the CJRS is only available to those who are paid via PAYE, and this means that the majority of limb (b) workers are excluded.

The High Court asserted that the aims of the CJRS and the amendments to the SSP scheme for those unable to work due to coronavirus, or where they were shielding or self-isolating, were rational and justified as a proportionate means of achieving a legitimate aim.

[Back to Contents](#)

Royal Mail loses appeal over agency workers' status

15 July 2020

The Employment Appeal Tribunal (EAT) has ruled that individual workers for Royal Mail are in fact agency workers and therefore are entitled to the same employment rights as other employees.

The Employment Appeals Tribunal (EAT) has thrown out an [appeal lodged](#) by Angard Staffing Solutions Ltd and Royal Mail Group Ltd against the Employment Tribunal's decision that Mr D Kocur (and others- the "Raczynska Claimants") who worked for the organisations named above, was an agency worker within the meaning of Regulation 3 Agency Workers Regulations.

Agency workers have the right to be treated no less favourably when compared to those who are employed by the organisation as per the Agency Workers regulations 2010. This means that they have the same right to basic employment and working conditions, including bonus', annual leave and paid time off for antenatal appoints after the agency worker has completed a 12-week qualifying period.

Solicitors, Irwin Mitchell, are currently pursuing a Group Action Litigation on behalf of 67 agency workers, in their employment tribunal claims against Angard Staffing Solutions Ltd (who had been engaged as agents for Royal Mail to find workers) and Royal Mail Group Ltd on the grounds of the unequal treatment of the agency workers Angard Staffing Solutions supplied.

Following a Preliminary Hearing held on 15 August 2019, the Employment Tribunal had held that Mr Kocur was an "agency worker" within the meaning of Regulation 3 and that Angard is a "temporary work agency" within Regulation 4. Angard Staffing Solutions and Royal Mail Group had appealed against this decision and contended that Mr Kocur was not an agency worker and therefore not entitled to the same rights as other employees. Mr Kocur and the Raczynska Claimants continued to maintain that the Tribunal's decision was correct.

Judge Auerbach advised that the Employment Tribunal had thoroughly looked at all the factors- not just Mr Kocur's contract with Angard Staffing Solutions, but also what had happened in practice and had correctly interpreted case law, particularly Moran and Brooknight in coming to its conclusions.

"It properly found at [38] that: "Every engagement over the four years was for a finite period." It went on to properly find at [39] that: "The defined periods of work to provide cover is fatal to the argument that it is not temporary." And "The Tribunal went on rightly to conclude that there was no reason to suppose that the Directive was not intended to apply where the agency supplied workers to only one hirer."

The EAT concluded *"For all of these reasons the appeal is dismissed."*

[Back to Contents](#)

Employment Tribunals update

17 August 2020

The Employment Tribunals National User Group minutes relating to a meeting held on 30 June 2020 have been [published](#), and they detail the current position on tribunals, and the currently observed large backlog of cases.

With thanks to Daniel Barnett.

There are several crucial points:

- Due to the outbreak of coronavirus, there has been a substantial increase in the backlog of the number of tribunals, which appears to be increasing by approximately 1% each week. It is anticipated that this figure will increase following the closure of the Coronavirus Job Retention Scheme (CJRS) at the end of October 2020
- Prior to the outbreak of coronavirus, there was already a large backlog – roughly 30,600 cases as of March 2020, and 36,600 in June 2020
- The minutes served to dispel the rumour that longer cases are not being listed until 2022, with the exception of the South East region, which is listing 2-3 day cases for 2022. The London South region is listing 2-3 day cases in mid-to-late 2021 and every other region in England and Wales is listing 2-3 day cases in the first half of 2021

Back to [Contents](#)

Homecare workers paid £10,000 in backpay from care agencies breaching wage rules

17 September 2020

Premier Carewaiting, Kammil Education and Dilligent Care Services have been named as three social care agencies who must pay homecare workers more than £10,000 that they are owed in backpay, as it was discovered that they were in breach of wage rules, at an employment tribunal.

Back in 2016, trade union Unison represented ten care workers, who stated that they were paid below the minimum wage rate by the businesses, who contracted them to work for Haringey Council. According to the union, the care workers were not paid for the hours that were spent travelling to clients' houses, even though staff were required to move from home to home to complete their jobs. The union asserted that this resulted in the care workers earning less than half the legal minimum hourly rate during a standard 14-hour day.

The tribunal ruled that travelling and waiting time of up to 60 minutes between appointments should be treated as working time, and should be paid accordingly.

The three agencies have now been instructed to pay each employee an average settlement of approximately £10,000. This equates to nine months' work and annual leave that the businesses failed to pay their staff during this period. Personnel today [reported](#) that Dave Prentis, the general secretary at Unison, stated:

"This is a major victory for these dedicated workers who dared take on their employers. Their long struggle is nothing short of heroic.

It is time the skills and experience of care staff were respected instead of them being underpaid and undervalued. The pandemic has proven just how vital they are in looking after the most vulnerable in society and keeping the care system running.

These are the very same care staff who were applauded during the lockdown. They should not have to work in a system that breeds such awful treatment.

This ruling sends a message to other care bosses that it's completely unacceptable to pay staff illegal poverty wages. The government too must get tougher with employers so there's an end to these law-breaking practices."

Back to [Contents](#)

Ethnicity Pay Gap

Research highlights the fact that a quarter of larger firms are examining the ethnicity pay gap

21 September 2020

Mounting pressure has been placed on the government to introduce mandatory reporting of the ethnicity pay gap in larger firms over recent years. The results of a survey suggest that almost a quarter of the businesses that could potentially be impacted have already begun to calculate the ethnicity pay gap, which means that they will be well prepared should it become a requirement.

[Findings](#) by PricewaterhouseCoopers (PwC) show that this is an increase from just one in 10, or 5% of businesses who were monitoring this back in 2018. Additionally, 40%, or two in five, of respondents confirmed that they planned to begin calculating the ethnicity pay gap in their businesses within the next three years.

PwC's survey included 100 companies, collectively employing over one million people, and highlighted the fact that one in ten, or 10%, of firms were actually publishing their ethnicity pay gap figures voluntarily. This was an increase from 3% who confirmed doing this in 2018.

Two-thirds of respondents revealed that they were now collecting and recording data relating to their workforce's ethnicity, in relation to 53% who confirmed this in 2018.

The research indicates that the primary reason for not calculating the ethnicity pay gap is because of a lack of data, and the difficulties in collecting data, due to GDPR considerations and concerns about raising sensitive questions relating to race and ethnicity.

The government confirmed that it would make annual ethnicity pay reporting compulsory for any companies who employ over 250 staff, in line with the requirements for reporting the gender pay gap. A [consultation](#) was released back in 2018 but no further developments have been announced since it closed in January 2019.

Back to [Contents](#)

Ethnicity pay gap the lowest it has been since 2012

14 October 2020

The Office for National Statistics (ONS), in its [latest release](#), has highlighted the fact that the pay gap between white and ethnic minority staff in England and Wales has fallen to its lowest level since consistent record keeping began back in 2012.

Median hourly earnings in 2019 for white workers were £12.40 per hour, which is approximately 2% higher than the amount received per hour by ethnic minority workers, who were paid £12.11 per hour. This is a substantial decrease in the gap, which has historically exceeded 8%.

There are, however, higher pay gaps observed for four groups of ethnic minority employees, as follows:

- 16% for employees of Pakistani descent
- 15% for white and black African employees
- 15% for Bangladeshi employees
- 13% for white and black Caribbean employees

Conversely, the ONS data reveals that there are some ethnic groups who have consistently earned more than the amounts received by white workers since 2012. For example, in 2019, median hourly earnings for individuals of white Irish ethnicity were 40.5% higher than those for other white employees, at £17.55. Employees of Chinese ethnicity earned 23.1% more, at £15.38 per hour and workers of Indian descent received £14.43 an hour.

When discussed in terms of gender, the ONS confirmed that ethnic minority men earned approximately 6.1% less than white men, but that ethnic minority women earned 2.1% more than white women. This seems to suggest that gender has a bearing on the ethnicity pay gap.

The age groups of individuals also affected ethnicity pay gaps. Individuals in the ethnic minority group between the ages of 16-29 appear to earn more than people of the same age of white ethnicities. This tends to change for those who are aged 30 years or over, as those in ethnic minority seem to earn less than those of white ethnicities at this point. The pay gap of 16% for employees of Pakistani descent aged over 30 reduced to 2% in those aged between 16

and 29. Chinese-ethnicity employees below the age of 30 commanded 46% more than the average white employee, in comparison with 19% more for employees aged over 30.

The ONS confirmed that, when factors including age, sex, marital status, children, qualifications, country of birth and location of employees are considered, the gap appears to narrow for many ethnic groups.

[Back to Contents](#)

Executive Pay

Gender Pay Gap

New bill introduced to Parliament which could provide women with the right to know their male colleagues' salaries

23 October 2020

The [Equal Pay Information and Claims Bill 2020](#) was introduced to the House of Commons by Labour MP, Stella Creasy, on 20 October 2020, and would grant employees the right of knowing what their colleagues are paid. It would also make it mandatory for companies with 100 or more employees to report both their gender and ethnicity pay gaps.

Currently, only businesses with at least 250 employees are legally required to report on their gender pay gap, and there are no rules surrounding ethnicity pay gap reporting at present, although a [consultation](#) on the subject was published, but no response provided as yet.

At present, women do have the right to enquire about a colleague's pay, but employers are under no obligation to provide these details. If women believe that they are not being paid fairly, their only option is to take employers to tribunal to force a disclosure.

Presenting the bill to MPs, Creasy said:

"Pay discrimination becomes so prevalent because it is hard to get pay transparency. Unless a woman knows that a man who is doing equal work to her is being paid more, she cannot know if she is being paid equally."

"For nearly 200 years, women have been asking for parity and, with the pandemic bearing down on us, we cannot afford to wait any longer for action."

Experts appear to welcome the proposed changes and believe that they could help to start to fix the gender pay gap.

[Back to Contents](#)

General Employment News

The Resolution Foundation calls for higher pay and better conditions for low-paid workers

4 June 2020

The Resolution Foundation has published a [report](#) which highlights how the UK's 4.2 million low-paid workers have been impacted most negatively by the outbreak of coronavirus. Whether that be because it is significantly more likely that they have lost their jobs or been placed on furlough than higher earners, or because they are in roles that have meant prolonged exposure to the danger to health posed by COVID-19.

Whilst key workers have been praised by both government and the public throughout the duration of the coronavirus crisis, attention has been turned to the low pay and unfavourable working conditions that they have to endure. It has been highlighted that copious amounts of key workers are paid below the real living wage, with many more who, in reality, are paid below the mandatory minimum wage.

Whilst the Resolution Foundation applauds the introduction of, and subsequent increases to, the National Living Wage (NLW), and states that the NLW should continue to rise as per the government's intention of reaching two thirds of median earnings by 2024, it believes that wider progress, outside of the NLW, is required for those in low paid roles. This relates to better-quality work, and includes the fact that they should be treated with both dignity and respect at work, to the same degree as those working in higher-paid jobs.

The report highlights the following issues faced by low-paid workers:

- Pay inadequacy – over half of care workers are paid below the real Living Wage. Up to 160,000 aren't paid the legal minimum wage
- Work uncertainty – Low-paid workers are more likely to feel anxious about work uncertainty with 1.2 million workers reporting last-minute changes being made to their work shifts which has resulted in a loss of pay
- Financial insecurity – Less low-paid workers are paid weekly, with 744,00 workers being moved from weekly pay to monthly pay, with no discussion or debate

The Foundation urges government to remember the individuals who have guided the country through the crisis, and kept it afloat, and to set out a new settlement for low-paid workers. The settlement should include:

- Giving workers more control over the hours they work – this should include a contract that shows the actual hours they work, and an entitlement to compensation if shifts are cancelled without sufficient prior notice
- Helping to address financial insecurity – large firms should allow workers to choose how regularly they are paid – e.g. weekly / monthly
- Reducing job insecurity – The qualifying period for unfair dismissal should be reduced from two years to one
- Ensuring that these new rights are upheld – through a Single Enforcement Body. This is something that has been discussed at length as part of the 'Good Work Plan'
- Establishing new wage boards – in industries where standards must be raised, new wage boards should be established, consisting of employers, employees and independent representatives. The Foundation recommends that this starts in social care

Economist at the Resolution Foundation, Hannah Slaughter, said:

"Britain's low-paid workers have been at the heart of the current economic crisis. They are the most likely to have lost their jobs, or to have put their own health at risk by working on the frontline.

The appreciation now being expressed for these workers is in stark contrast to the fact that for too long we have offered them a world of work based on insecurity and exploitation, not dignity and respect.

Britain's post-pandemic economy will look different from the one before coronavirus hit. For low earners that should be because the government has put in place a new settlement, based on more respect, higher pay, and better conditions at work.

New wage boards should drive up standards in problem industries, while workers need to be given more control of the hours they work and when they are paid. Rights must not only be strengthened but enforced. These are balanced, moderate proposals, that taken together would amount to a new settlement for low-paid workers."

Back to [Contents](#)

Research suggests that work is negatively impacting employee wellbeing – and the COVID-19 crisis is exacerbating this

8 June 2020

[The Chartered Institute of Personnel and Development \(CIPD\)](#) has warned that, even prior to the outbreak of coronavirus, work was having a negative impact on employee health. Its [latest research](#) has highlighted that the COVID-19 crisis will only serve to heighten the issue.

The CIPD's [Good Work Index report](#), which assesses the major elements that impact job quality over the long-term, shows that just as the COVID-19 crisis was unfolding in the UK, work was already having a negative impact on employee wellbeing. The elements that are measured within the report are:

- Pay and benefits
- Contracts
- Work-life balance
- Job design
- Relationships at work
- Employee voice
- Health and wellbeing

Prior to the COVID-19 crisis, workers were already saying that, when working, they always or frequently felt:

- Exhausted (22%)
- Under excessive pressure (21%)
- Miserable (11%)

A third of respondents reported that their workload in a standard week was too high, with a quarter confirming that they find relaxing outside of work difficult due to the pressures of their job. Even more worryingly, 69% of individuals who reported experiencing anxiety in the last year cited work as a contributing factor. 58% of those who suffered depression stated the same.

A snapshot survey of 1,001 workers demonstrated how the COVID-19 crisis is exacerbating several of the issues previously identified, with the following key findings:

- 22 per cent said it was probable that they would lose their job in the next year
- 43 per cent of those with a mental health condition say that the outbreak of coronavirus has contributed to, or worsened, their condition
- 29 per cent of those with anxiety say the pandemic has contributed to, or worsened, their condition

In response to the survey's findings, the CIPD has offered a list of recommendations for employers to promote healthy working practices. The list includes:

- Assessing workloads, and ensuring that staff are not under excess pressure
- Ensuring that managers are sufficiently trained in conducting supportive and sensitive discussions on wellbeing. They also need to understand how important regular contact is for staff who are working remotely
- Highlighting benefits such as counselling helplines, that may already be available to employees
- Allowing workers to have more control over how, when and where they work

The report can be accessed and read in its entirety [here](#).

Back to [Contents](#)

The treatment of Direct Earnings Attachments during the coronavirus crisis

17 June 2020

On 3 April 2020, the Department for Work and Pensions (DWP) [confirmed](#) that it would be writing to employers to instruct them to temporarily suspend Direct Earnings Attachment (DEA) deductions from employees' pay in April, May and June 2020, due to the outbreak of coronavirus.

The guidance states that employers will be notified if this suspension is to be extended.

The CIPP has contacted the DWP via its Debt Management contact centre to enquire if the suspension of DEAs will continue beyond June 2020. The team advised that, whilst not officially confirmed, the intention is for DEA deductions to resume from July 2020, and that letters would be circulated in due course to communicate this.

We await further confirmation of how DEAs will be treated after June 2020, and will update members through News as we hear further information.

[Back to Contents](#)

Workers struggling to combine work with caring responsibilities

26 June 2020

It is estimated that roughly 3.7 million people in England and Wales have the challenge of balancing their caring responsibilities with their jobs. The outbreak of coronavirus has shone a light on this, and exposed the support needs of those who need round-the-clock care.

The Chartered Institute of Personnel and Development (CIPD) commissioned a [report](#), which was written by the University of Sheffield, and focussed on how working carers balance their caring responsibilities with paid employment, and how employers can best support them. A carer is defined as an individual who helps or looks after a family member or friend, as they require care and support due to old age, physical or mental illness, disability or addiction. The report aims to provide businesses with recommendations that can work to create a carer-friendly workplace.

The report introduces three main research questions, which are:

- What are the challenges working carers face?
- What forms of support do employers provide for working carers, and does this vary significantly across sectors and types of organisation?
- How do these forms of support benefit working carers and the organisations for which they work?

The survey involved 970 unpaid carers in England and Wales who were in employment in addition to their care work.

The key findings of the survey demonstrate how:

- Carers often struggle to balance their caring responsibilities with work commitments
- Employers could be doing more to support carers in the workplace - only two-fifths of working carers believed that their employer is carer-friendly. Additionally, over a quarter of those surveyed refrained from discussing their caring role with anyone at their workplace, as they believed that nothing would change from it as a result
- Providing support to carers benefits both the employee and the employer, as it improves the wellbeing of carers which results in reduced absenteeism and increased retention levels for the business

Other findings highlight the fact that half of working carers feel that their caring responsibilities impact on their ability to do their job, and 46% must use their annual leave in order to provide care. A quarter of employees have also contemplated giving up their job due to their caring role.

CIPP comment

The CIPP will be producing a survey to gather the feedback of members to inform its written response to the BEIS consultation on providing unpaid carers a new right to a week's worth of leave. The Policy and Research team will announce its publication in News Online but be sure to keep your eyes peeled so that you don't miss the opportunity to have your say.

[Back to Contents](#)

Downloading and accessing BACS reports during coronavirus

30 June 2020

The [Bankers Automated Clearing Service \(BACS\)](#), part of Pay.UK, has circulated an email to remind customers of the importance of keeping up to date with their messaging reports, particularly during the uncertain times we are living in. Reports are time critical, and they must be downloaded and actioned within three working days.

Failure to access and action these reports within the stated time frame will mean that payments to accounts, or collections against them may be unsuccessful in the future, which could result in problems relating to failed payments, or unpaid Direct Debits. Both outcomes could potentially lead to increased costs for businesses or unhappy customers, suppliers, and / or employees.

As many staff are working remotely, in a bid to prevent the spread of coronavirus, there have been many challenges to standard working practices. The advice provided is that businesses should monitor who can access these reports to ensure that, if key staff members are unavailable, the reports can still be accessed and actioned in their absence. Businesses should also check that staff can access the reports when working remotely as well as when working in the office.

For businesses who use the services of a bureau, they should liaise with them to confirm whose responsibility it is to access and action reports.

To access reports, there are a variety of methods:

- Via Payment Services Website (PSW)
- Via Bactsel-IP software
- Via Hardware Security Module (HSM)

Regardless of which process is used to access reports, users must remember to ensure to keep their colleagues' contact details up-to-date.

Back to [Contents](#)

OVO energy reports a mean gender pay gap of 20.1% for average hour pay as at April 2019

15 July 2020

[The Gender Pay Gap reporting regulations](#) requires any organisation with 250 or more employees to submit and publish the difference in mean and median hourly rates of pay for both male and female full-time employees, the gap in male and female's mean and median bonus pay, the proportions of male and females who were awarded bonus pay and the proportions of male and female full-time employers in the lower, lower-middle and upper quartile pay.

Due to the Coronavirus pandemic, the regulations over [reporting gender pay gap figures](#) for the year 2019/20 were suspended to help ease the pressure of business during this trying time. Although the mandatory reporting deadlines were suspended, organisations could still voluntarily submit their figures and findings.

One of those organisations was Ovo Energy who ordinarily would have had to of reported their gender pay gap figures inline with the government's reporting regulations due to currently having 2,000 employees.

Ovo Energy reported that their median gender pay gap was 9.6%, as at April 2019 and on average, women earn 90p compared to every £1 that their male equivalents earn.

Its median gender pay gap for bonuses paid out throughout the reporting period was 14.7%. When compared with their figures for 2018, this showed a decrease on the 19.7% gap. The mean gender pay gap for bonus payments was 28.6% and in 2018 was 26%.

Across the reporting period, 87.5% of female employees and 84.3% of male employees had received bonus payments. At Ovo Energy, 26% of employees in the highest pay quartile are female, with 42% in the second quartile, 44% in the third quartile and 44% in the lowest pay quartile.

Adrian Letts, chief executive at Ovo Retail, said:

"We're aware of our gender pay gap and feel passionate about being an inclusive place to work. This year we celebrated International Women's Day and hosted a panel session around the theme 'Equality needs everyone'. This was streamed live across all offices, giving our team an important update on the powerful women pledge: our commitment to increasing women's representation in leadership.

Across Ovo Energy, our goal is to increase the number of women who work in technology. So far this year we've exceeded our target of 15%, with women being 21% of new hires, and the number of women in technology and leadership positions has also increased. We put this result down to the way we've checked for gender-biased language within our revamped recruitment process. While these changes may seem small, they're helping us reach our 20% female tech talent goal by 2025, so they're really important."

Back to [Contents](#)

There will be no requirement for face masks in offices

16 July 2020

Health Secretary, Matt Hancock, has confirmed that there are no plans to make English employees wear face masks while they are in the office.

Speaking to the [media](#), Mr. Hancock said:

"It's something we've looked at and rejected", but Mr. Hancock did confirm that masks should be worn by the public in other situations *"for the foreseeable future."*

The questions around face masks being mandatory in office workspaces were prompted by the fact that face coverings must be worn within shops in England from 24 July 2020 onwards.

In Scotland, it is already a requirement for shoppers to utilise face masks, and in Wales and Northern Ireland, they are considering mirroring this rule.

Speaking further on the topic, Mr. Hancock commented:

"When you're in close proximity with somebody that you have to work closely to, if you're there for a long time with them, then a mask doesn't offer that protection.

The same logic applies for schools – we're not recommending masks for schools because if you're in a classroom with kids all day then a mask doesn't give you protection."

Back to [Contents](#)

Jobs fall by 649,000 between March and May 2020

20 July 2020

[Data](#) released by the Office for National Statistics (ONS) indicates that, during lockdown, between March and May 2020 the number of employees on payroll, taken from Pay As You Earn Real Time Information (PAYE RTI), fell by 2.2% - the equivalent of 649,000 job losses.

Unemployment has not increased as significantly as it would have done as a result of COVID-19, had the Coronavirus Job Retention Scheme (CJRS) not been created to protect jobs by placing employees at risk of redundancy on furlough, but it has been predicted that, as the scheme unwinds, we will begin to witness higher levels of unemployment and a potential recession.

Since the start of the outbreak of coronavirus, the ONS has recorded that the total weekly hours worked had fallen by a staggering 175.3 million, or 16.7%, to 877.1 million hours. In addition to this, the number of job vacancies have also sharply declined, falling to 333,000 between April and June. This is approximately two-thirds lower when compared to the same period last year, and concerningly, the lowest level since the ONS began collecting comparable data in 2001.

The data also highlights the fact that young people have been affected particularly badly by the pandemic, with 47,000 more young people employed than there were a year ago.

[Back to Contents](#)

Public sector workers to receive above inflation pay rises

22 July 2020

In recognition of the vital contributions that public sector workers have made, particularly during the outbreak of coronavirus, Rishi Sunak has [confirmed](#) that they will receive above inflation pay rises this year. This will encompass doctors, teachers and police officers, amongst others.

The increase will benefit approximately 900,000 workers, and the largest rises will be awarded to teachers and doctors, who will see increases of 3.1% and 2.8% respectively. Police and prison officers will see their pay rise by 2.5%, whilst the Armed Forces will receive a 2% uplift.

Speaking on the subject, the Chancellor, Rishi Sunak said:

“These past months have underlined what we always knew – that our public sector workers make a vital contribution to our country and that we can rely on them when we need them.

It’s right therefore that we follow the recommendations of the independent pay bodies with this set of real-terms pay rises.”

Independent pay review bodies have recommended the awards, and the government has this year accepted the headline recommended rise for each workforce. The increases for the armed forces, prison officers, senior civil servants and NHS staff work will be backdated to April 2020, but the pay rise for police and teachers will apply in September to reflect the pay year September – August.

[Back to Contents](#)

The CIPD urges the government to introduce bereavement leave and pay for all employees who lose a close family member

23 July 2020

The Chartered Institute of Personnel and Development (CIPD) has [written](#) to Business Secretary, Alok Sharma, to encourage the government to introduce a new legal right to leave and pay for any employees who experience a close family bereavement.

The outbreak of coronavirus has clearly highlighted how important it is for employers to take a compassionate stance on bereavement, and how crucial it is for businesses to understand how each different person will react differently to the death of a close family member. The CIPD confirms that a flexible and sensitive approach to bereavement from employers is essential, and has provided a [guide](#) to compassionate bereavement support.

The introduction of Jack’s Law at the turn of tax year 2020-21 prompted the CIPD’s call for an extension to bereavement pay, as it introduced a new legal right to paid bereavement leave for those meeting certain qualifying conditions, and a day one right to leave for parents who lose a child under the age of 18, or suffer a stillbirth after 24 weeks of pregnancy. Should the extension be actioned, it would mean that employees who lose any close family member, including a parent, child or sibling, whether by blood, adoption or through marriage / a partner, would be entitled to two weeks’ leave or paid leave from work. At present, there is no legal requirement for employers to pay employees who take time off following the death of a close family member. The law states that employees have the right to ‘reasonable’ time off work to deal with emergencies involving dependants, but there is no definitive timeframe provided.

Senior Resourcing and Inclusion Adviser at the CIPD, Claire McCartney, said:

"Losing a family member, partner or friend can have a devastating impact on a person's mental health and wellbeing and employees experiencing bereavement need to be treated with compassion and support in the workplace. Most people have experienced bereavement at some point, and sadly in the UK tens of thousands of people have died as a result of COVID-19 this year. Many people will not have been able to say a proper goodbye to loved ones due to Coronavirus, which will have been incredibly difficult. It is vital for organisations to properly support those who are experiencing grief and loss by developing policies that offer long-term support and to ensure that line managers are equipped to support bereaved employees. Grief is neither linear nor predictable so employers must also recognise individual circumstances.

The introduction of Jack's Law in April was an important step forward in recognising the need for parental bereavement leave and pay. We want to see this extended to all employees who are experiencing a bereavement of a close family member. Bereavement can have a significant impact on a person and their work and it is vital that employees are supported with appropriate time off at what is already an extremely difficult time - bereaved employees are highly unlikely to be able to perform well at work if they are forced to return too quickly."

Back to [Contents](#)

Record increase in calls to Acas helpline in relation to redundancies

7 August 2020

There has been much discussion surrounding the unfortunate probability that many employers will have to make staff redundant as a result of the economic turbulence caused by the outbreak of coronavirus.

Acas has now [confirmed](#) that over the course of June and July 2020, it received an increase of over 160% in the number of phone calls relating to redundancies, when compared to the same period the previous year.

Susan Clews, Acas Chief Executive, said:

"At the moment nearly a third of calls to our helpline are redundancy related. The economic impact of coronavirus, alongside fears around the furlough scheme tapering off, has left many employers and their staff concerned about their future livelihoods.

Some businesses have found innovative ways to deal with the crisis through restructuring that has allowed them to safeguard jobs in consultation with trade unions.

Our advice in this area recommends alternatives to redundancies, which should always be used as a last resort, as well how to follow the law if it cannot be avoided."

In recognition of this steep increase to the number of queries concerning redundancies, Acas has issued key advice for businesses, and guidance on [managing staff redundancies](#).

Acas also reiterates the recent law changes which mean that, when calculating redundancy or notice pay for furloughed staff, employers are required to use their full normal pay and not a reduced rate due to furlough.

CIPP comment

The CIPP offers a [redundancy factsheet](#), which outlines the rules and correct procedures around redundancy and redundancy pay.

Back to [Contents](#)

FCA publishes statement on Employer Salary Advance Schemes

11 August 2020

The Financial Conduct Authority (FCA) has [published](#) a statement on the topic of Employer Salary Advance Schemes (ESAS), explaining the associated risks and benefits and providing information that both employers and employees should consider when utilising them.

Although ESAS do not fall under the FCA's regulation, due to the fact that they don't meet the definition of credit under legislation, the FCA wanted to provide its viewpoint on the schemes, as they share similarities with some other credit products. In fact, ESAS are often advertised as a safer alternative to high cost credit.

ESAS allow employees to access some of their salary prior to their contractual, standard pay date. There is usually a fee associated with this. They are a relatively new development, usually administered by specialist scheme operators and available to both public and private sector employers. The FCA maintains that, when used correctly, ESAS can benefit employees. They can be really helpful for those employees who have to deal with unexpected expenses, or short-term cash flow issues. They are ordinarily cheaper than alternatives such as payday loans.

Salary advances can help those who face short-term cash shortages but it is important to remember that the amount of the advance will be taken from the next payment that an employee receives. Individuals who use salary advances must ensure that they can afford to pay their outgoing and expenses once the advance has been taken. If there are any issues in this happening, then this could suggest that there is an underlying or longer term financial problem, which a salary advance will not be able to solve. Anyone experiencing financial problems should access debt advice. The Money Advice and Pensions Service has helpful information about where employees can get help. Those who are struggling to meet credit commitments, for example, their mortgage, should consider contacting their creditors, who may be able to help by offering options such as repayment plans.

Before offering ESAS to their employees, employers need to think carefully about all of the elements of the scheme, assessing the advantages and any potential risks. They should consider the accumulation of charges that could be imposed where products are used repeatedly, and be mindful of the fact that employees may become dependent on the scheme. ESAS have their limitations, as they only offer short-term relief. ESAS will not serve to fix an employee's wider financial problems, so employers should think about advising employees to seek debt advice, directing them to places that provide free advice. ESAS operates outside of credit regulation ordinarily but there are different ways in which the scheme could be structured. Employers should consider seeking professional advice to establish whether the ESAS being provided to employees involves the carrying out of regulated activities.

Specialist scheme operators are often the providers of ESAS, and offer them as part of a 'wellbeing package', aimed to assist employees with managing their finances. The scheme may be offered in an app format which links the employer's payroll operations to the employee's bank account. Employees usually then have the option to withdraw up to half of their earned wages prior to the next pay day. The scheme operators will normally charge the employee a fee per withdrawal. Employers will then pay the remainder of the salary, after the advanced payments have been deducted, on the next pay date. Employees have the ability to make numerous drawdowns each pay cycle, and to repeat the process in later periods.

Employers need to consider the potential risks, both for themselves, and for employees, in the following areas:

- Lack of credit regulation – ESAS usually operate outside of credit regulation, meaning that the regulatory and statutory rights and protections which benefit borrowers under customer credit arrangements, do not apply. The high-cost short-term credit price cap on charges does not apply either, meaning that the Financial Ombudsman Service can not consider complaints
- Lack of transparency about cost – It may be the case that the transaction fees are relatively low, however employees may not understand how this compares to credit products such as loans. It could be difficult to establish how reasonable the fixed transaction fee is in relation to an interest rate / APR. It could be that the fees are higher than the price cap for payday loans and other forms of high-cost short-term credit, dependent on the amount of the fee, and the frequency at which the scheme is used
- Dependency and repeat use – If employees withdraw their salary early, it is highly plausible that they will struggle towards the end of the next payday, creating a cycle of repeat advances and spiralling fees
- Lack of visibility for credit reference agencies – Credit reference agencies will not record use of the product, so any creditors who run credit searches will not always be aware of the fact that the customer is using ESAS

If employees do not have major debt problems, then it may be the case that an ESAS would be really beneficial for them. Some scheme operators are also developing models where the employee pays no fees but the burden falls on the employer, who bears the full cost.

Employees who have limited options are more at risk. The FCA has provided a number of recommendations for employers and scheme operators which could reduce those risks, including:

- Scheme operators could consider advising employees about the best places to seek financial help from on the employee section of their website, or within the app, if they provide one
- When introducing employees to ESAS, employers could ensure that they highlight the limitations of salary advances and potentially signpost them to the Money Advice Service website, if employees require debt advice. They may also inform employees about debt charities, including Citizens Advice and Stepchange – this may be particularly relevant where those who are using the scheme frequently are identified
- Periodic notifications could be provided to employees where transaction charges are building
- Scheme providers could develop systems that monitor the pattern of usage of employees, and where the usage is substantial, alerts could be triggered providing guidance and directing employees to organisations providing free debt advice

The FCA will continue to monitor the ESAS market, and has increased contact with firms who offer alternatives to high cost credit.

CIPP comment

Do you have any questions, comments, or concerns surrounding Employer Salary Advance Schemes? The CIPP's Policy and Research team would really appreciate any feedback on the topic, so please get in touch and email Policy@cipp.org.uk.

Back to [Contents](#)

33% of companies intending to make redundancies

17 August 2020

In the [Labour Outlook Market survey](#), published by the Chartered Institute of Personnel and Development (CIPD), in partnership with the Adecco Group, it has been confirmed that one in three employers are unfortunately planning to make redundancies by the end of September 2020.

2,000 organisations took part in the survey, and it appears that private sector firms have been affected more dramatically, with 38% confirming they will cut jobs, as opposed to 16% in the public sector. The number of overall redundancies has seen a jump of 11% since the last quarter.

On a positive note, hiring intentions are gradually starting to rise, but are at significantly lower levels than those observed in previous years.

The survey has witnessed the lowest scores since it started being conducted using current methods, in terms of the net employment figure. The net employment figure relates to the proportion of employers intending to increase or decrease staffing levels. It has dropped from -4 to -8 but has remained high in sectors such as healthcare and public administration. The lowest levels were observed in hospitality, transport and storage, and retail.

The survey also highlights the fact that many companies are set to be stringent in terms of pay increases over the course of the next 12 months. Pay increase expectations were set at 1% overall – 0.8% in the private sector, and 1.7% in the public sector. The report also shows that 40% of private sector firms are planning to halt pay increases for the next 12 months.

The statistics may come as a surprise to some but are indicative of the economic turbulence caused by the outbreak of coronavirus.

CIPP comment

With so many companies intending on making redundancies, it is important to ensure that they get the process right, and that they pay employees that they are making redundant correctly. The CIPP has a [redundancy factsheet](#), available to members.

[Back to Contents](#)

Updates to the Conduct Regulations 2003: guidance for employment agencies and employment businesses

18 August 2020

The Conduct Regulations 2003: [guidance](#) for employment agencies and employment businesses has been updated to reflect the amendments made to regulations back in 2019.

The guidance pages, published by the Department for Business, Energy & Industrial Strategy (BEIS) and the Employment Agency Standards Inspectorate, detail how, from 6 April 2020, regulation 13A makes it a requirement for employers to provide agency workers with a 'key information document'. The document must be provided prior to any agreements between the agency worker and the company being made. Templates and further information on this can be located on the [Gov.UK pages](#).

The key information document should, in theory, be one of the first documents that an agency worker receives. It is not applicable to agency workers who had existing terms with an employment business prior to 6 April 2020, but they have the right to a key information document if, and when, they sign up with a new employment business after that date. From 6 April 2020, all agency workers, regardless of whether they are classed as employees or workers will have the right to both a written statement and a key information document.

It is hoped that the document will improve transparency of information for agency workers, with particular focus being placed on pay. Agency workers will now have further information around fees and any deductions that will have an impact on their final take home pay before they make any agreements with employment businesses. All relevant contractual information needs to be included in the document. It is not intended that the figures included in the document will detail exactly what an individual will earn when on assignment, but instead that they will demonstrate how a proposed rate of pay is impacted by fees and deductions made through the supply chain.

[Back to Contents](#)

The Office for National Statistics reports that one in eight employees remain on furlough leave

25 August 2020

The fortnightly release of data from the [Office for National Statistics](#) (ONS) revealed that just under one in eight UK workers remain on furlough leave and that the majority of those are having their wages topped up by their employer. The survey looks at the impact this has had on UK firms due to the current COVID-19 pandemic.

From the start of the Coronavirus Job Retention Scheme (CJRS) employers have been able to claim back 80% of employees' wages up to the maximum cap of £2,500 per month from the government and although top ups are voluntary, there has been no legal requirement to do so.

As previously reported, from 1 September this will change as the scheme reduces the amount of 80% to 70%, with employers having to fund at least the additional 10% of furlough pay direct from their funds to ensure that employees who remain on furlough are still paid 80% of their regular wage.

The report also indicated a slight decrease in the volume of online job adverts between 7 and 14 August, decreasing from 62% in 2019 to an average of 58%. Even though there has been a decrease, the volume of job adverts is still higher than they had been in the two months prior, closer to half of the 2019 average.

MaPS confirms increasing debt advice capacity in England

27 August 2020

The Money and Pensions Service (MaPS) has announced an open procurement process for funding towards telephone and digital debt advice provision for 2020-21. The initial amount stands at £4 million.

The funding, which will be made available to companies not already in receipt of MaPS mainstream debt advice funding, will be put towards increasing the amount of good quality, free-to-customer debt advice. Additional debt advisers will be recruited and trained in England, following on from a market engagement process that ran in July 2020.

Organisations that fit the eligibility criteria can apply for the funding [here](#).

As coronavirus moves into the next phase, it is expected that there will be more of a requirement for debt advice services. In acknowledgement of this fact, MaPS secured an extra £38 million in June 2020, to spend on assisting providers in delivering advice to more people in England. This is due to the fact that many more people will be facing financial distress as a result of the impact coronavirus has had on the economy, and on life in general. Providers who may have faced disruption in terms of their income streams will also benefit from the additional funding.

There are certain delivery expectations placed on this, so:

- Positions created must be able to function remotely, so individuals can either be home-workers or office based, but with the ability to work from home
- The positions must demonstrate the ability to provide a national telephone and digital debt advice service
- Advice must be delivered through a combination of both telephone and digital channels

In order to be eligible, organisations must:

- Hold the relevant FCA authorisations to be able to deliver debt advice, and already be an existing debt advice service
- Provide free-to-customer debt advice
- Hold a MaPS accredited quality standard or hold FCA authorisations for handling client money
- Meet existing debt supervision [requirements](#)

Guidance on traineeships: information for employers and education providers updated

2 September 2020

The Department for Business, Innovation and Skills, alongside the Department for Education has [published](#) guidance on the framework for the delivery of traineeships from 1 September 2020 to 31 July 2021. A further version (version two) will be updated later in September 2020.

At the Summer Economic Statement, Chancellor Rishi Sunak announced the fact that employers who make new work placement opportunities available may receive an incentive payment, equating to £1,000 per learner, for a maximum of ten learners. Further details will be published within version two of the guidance. We will publish any additional information in News Online as soon as it becomes available.

The employer incentive payments will be available for traineeships that start from 1 September 2020 only, and will be available to employers providing traineeship work placements for the first time, and also to those expanding an existing offer to make new opportunities available. The figure will be for £1,000 irrespective of the duration of the work

placement, with payment being made upon completion of that placement. Each employer can claim for up to a maximum of ten incentive payments, but further detail around this will be provided in due course.

The incentive funding will initially be available from 1 September 2020 to 31 July 2021, and forms part of the Government's response to coronavirus. This will be until all the funding made available for payments is used. If a decision is made to continue with employer incentive payments outside of these dates then it will be made with HM Treasury as part of the Spending Review process.

The rationale behind providing the employer incentive payments is to encourage employers to provide work placements, by assisting them to meet the costs of doing so.

Back to [Contents](#)

Applications for the £2 billion Kickstart Scheme now open

3 September 2020

The Department for Work and Pensions (DWP) has [launched](#) the online application service for employers who wish to use the Kickstart Scheme, in order to create new six-month job placements for those aged between 16 and 24, who are in receipt of Universal Credit and potentially facing long-term unemployment.

There is detailed [guidance](#) on who can apply for the scheme available online.

The placements must enable participants to develop the skills and experience required to find work after completing the scheme. Funding will be made available for the total of the appropriate National Minimum Wage (NMW) rate for 25 hours a week, plus the associated employer National Insurance (NI) and minimum automatic enrolment contributions. An additional £1,500 per job placement will also be available to help with setup costs, support, and training.

Applications must be made for a minimum of 30 job placements, but if businesses cannot offer this amount, then they can partner with other organisations to reach the minimum number. Businesses creating over 30 job placements can submit their application directly, but those with fewer than 30 must partner with another organisation, or other organisations, prior to applying. Other organisations may include similar employers, local authorities, trade bodies and registered charities.

Groups of employers can enlist a representative to submit an application on their behalf, and [detailed guidance](#) on the process behind this is available on Gov.UK.

Any organisation may apply for the funding, regardless of their size. Job placements created with funding from the Kickstart Scheme must be new jobs, and must not replace existing or planned vacancies, or cause any existing employees or contractors to lose or reduce their employment. The roles must be for a minimum of 25 hours per week, for a period of six months, which, as previously noted, the government will fund. Employees must be paid at least the NMW for their age group and should not require extensive training prior to starting the job placement. Once a placement has been created, a second person may take it up once the first successful applicant has completed their six-month term.

For each application made, claimants should explain how they intend to assist participants in developing their skills and experience, including how they will support them to locate long-term work, support with CV and interview preparations, and how they will teach participants basic work skills.

In order to apply online, businesses will need certain information, as follows:

- The Companies House reference number or Charity Commission number
- The organisation address and contact details
- Details of the job placements and their locations
- Supporting information to demonstrate that the placements are new jobs, which meet the Kickstart Scheme criteria
- Information about the support the organisation can provide to enhance the employability skills of young people

Once an application has been submitted, it will be reviewed to check it meets the requirements of the Kickstart Scheme, and sent to a panel for consideration. It is the intention that applications will be responded to within one month.

If an application is successful, the applicant will receive a letter with a grant agreement. This will detail what the company has agreed to provide and how much funding will be given from the Kickstart Scheme. This must be signed and returned using details in the letter, prior to the commencement of any job placements. Claimants will need to provide job descriptions for each job placement, including details of what candidates need to do to apply for the job placement. They will then receive contact from people who have been matched to the job placement. Businesses will only obtain funding should they place a person who is introduced through the scheme by DWP.

If an application is unsuccessful, then an explanation and feedback will be given. A further application can be made, with additional information, and there is no limit to the number of times a business can apply for funding.

Businesses will receive initial setup costs once they have confirmed that the placement has started, and the Kickstarter is on payroll and being paid through PAYE. DWP will check data from HMRC to ensure that the Kickstarter is employed, and the grant will be paid in arrears. DWP may contact either the claimant or the Kickstarter to check the details of the employability support being offered.

Back to [Contents](#)

How to become a representative for the Kickstart Scheme

3 September 2020

Following on from the [article](#) which discussed the claim process for the Kickstart Scheme and explained who can apply, there is further [information](#) available on Gov.UK, which details how to become a representative for a group of employers who wish to apply for a grant through the scheme.

[Guidance](#) has made it clear that applications can only be made for a minimum of 30 job placements under the scheme. Employers who have the sufficient number of placements to offer can apply directly, but those who do not, can partner with other organisations to reach the minimum level of job placements required. They can:

- Join a group of other employers, whilst nominating a representative for the group who will submit the application on their behalf
- Register their interest with existing representatives, which could potentially be local authorities, chambers of commerce or trade bodies

The representative will be responsible for ensuring that job placements meet the Kickstart Scheme's eligibility requirements and will submit the application for funding on behalf of the organisations.

Representatives must have experience of managing partnership agreements with third parties, along with robust financial and governance processes to manage the application. The Department for Work and Pensions (DWP) will assess the suitability of any representatives but is not accepting applications from representatives who do not have the required experience at present.

Representatives must have at least 30 job placements for the group of employers they are representing before applying. They will require:

- Details of the job placements put forward by their group of employers
- Details of their business
- Information about the support they intend to offer to Kickstarters
-

[Details](#) for local or national Kickstart Scheme employer contacts are available online.

Back to [Contents](#)

Future plans for the tax system

4 September 2020

As normality begins to return, following on from the outbreak of coronavirus, both HMRC and the Treasury are beginning to turn their attentions to the more routine function of how to collect taxes, whilst protecting the tax system, but continuing to support individuals and businesses in the UK.

Plans for changes to how tax will be charged, paid and collected, to adapt to how the world currently works are detailed in the government's recently published [10-year vision paper for tax administration](#).

It is hoped that tax administration in the UK will see improved resilience, effectiveness, and support for taxpayers, and will assist businesses and individuals in adhering to their responsibilities. The document lays out intentions to extend Making Tax Digital, and in addition to this, there is a focus on systems, in terms of looking into the appropriate timing and frequency of the payment of different taxes, and an exploration of the technology infrastructure required to support that. One of the other elements of the vision relates to law and practice, which will ultimately mean a reform to the framework of tax administration.

The report focuses on a number of areas, as follows:

- A vision of resilience and effectiveness
- The core of a modern tax system
- The benefits: greater ease of use, productivity and resilience
- The need for reform
- Our 10-year strategy
- Careful and incremental reform
- Next steps

Read the paper in its entirety [here](#).

Back to [Contents](#)

Working from home? How helpful is your town or city?

11 September 2020

At the height of the Covid-19 lockdown 86% of workers were reported to have shifted to homeworking.

Recent research from [InstantPrint](#) has resulted in the publication of league tables to show which towns and cities across the UK were the best (or worst) for accommodating home working.

With a combination of desk research and national survey data [InstantPrint](#) ranked major cities in the UK on their working from home merits, including information on:

- Average internet download speed
- 4G signal strength
- Average property size
- Average property price
- Average monthly rent
- Average cost of living

The top three '[best of the best](#)' are:

Belfast

The undisputed champion, Northern Ireland's capital came out on top. With an excellent average internet download speed of 64.1mbps, workers in Belfast are unlikely to experience a choppy connection on their next video call.

Birmingham

The UK's 'second city' also qualifies as the second-best city in the country for working from home. Blessed with top-notch internet download speeds, Birmingham's 24.1mbps 4G coverage also ranks amongst the highest in the UK.

Nottingham

Nottingham slots in at third place with 98 points thanks to a relatively low average living cost of £890 and an average internet download speed of 62mbps.

The top three in the 'more challenging cities' are London, Cardiff and Sheffield

To read the full findings of the InstantPrint research visit the [blog page](#) of their website.

[Back to Contents](#)

Inflation slips to 0.2% in August 2020

18 September 2020

[Statistics](#) released by the Office for National Statistics (ONS) have revealed that inflation fell to 0.2% in the month of August 2020, having previously sat at 1% in the preceding month of July.

It is thought that the decrease in the rate of inflation has been primarily driven by the Eat Out to Help scheme, which saw massively reduced prices for consumers in various dining establishments, reduced air fares, and cuts to VAT, from 20% to 5% on accommodation, attractions and food.

Figures reveal that the largest contributors driving inflation up were toys and hobbies, games, accommodation services, and second-hand cars.

The Bank of England's target is actually 2% and the 0.2% recorded is the lowest level that inflation has sat at since December 2015. It is hoped that, as the economy begins to return more and more to normality, the effect will be apparent on the rate of inflation, and it will start to increase.

[Back to Contents](#)

2021 BACS processing calendar published

24 September 2020

The [BACS processing calendar for the year 2021](#) has been made available online. Payroll professionals may consider this a valuable tool, for use when establishing what the important dates for next year are, in terms of ensuring employees are paid on time.

The calendar is extremely useful as it highlights which dates on the calendar are non-input and non-processing days. This includes any weekend dates, or any bank holidays, which do not count as working days. This is obviously important as BACS payments clear in bank accounts two working days after the date that they are submitted, so if, for example, a payment was submitted to BACS on 23 September 2020, it would clear in a bank account on 25 September 2020, so the third day of the cycle effectively. This is because on the second day, the payments are being processed by the bank.

There is also a [BACS processing calendar available for the current year](#) – 2020- to help assist payroll professionals in planning for the pay dates that are left between now and the end of the year.

[Back to Contents](#)

Kickstart Scheme gateways list

2 October 2020

From 1 August 2020, employers of all sizes are being encouraged to take advantage of the new cash incentives which have been designed to create more high quality apprenticeship opportunities so that more people, especially young people at risk of long term unemployment, can kick-start their career.

[The Kickstart Scheme](#) is an initiative to help young people claiming Universal Credit to move into the world of work. It forms part of a range of employment support initiatives announced in the [Plan for Jobs](#) in July.

Applications to the scheme which has been launched via an [online](#) service by the Department of Work and Pensions (DWP), must be made for a minimum of 30 job placements, but if businesses cannot offer this amount, then they can partner with other organisations to reach the minimum number.

If your organisation would like to take part in the [Kickstart Scheme](#) but you have fewer than 30 placements to offer, DWP has published [further advice](#) together with a list of organisations across England, Scotland and Wales that have also expressed interest in acting as a Kickstart gateway.

Kickstart gateways can apply for a [Kickstart Scheme](#) grant on behalf of a group of employers and will provide the support each young person needs to make a success of their Kickstart role, increasing their chances of securing sustainable employment in the future.

Back to [Contents](#)

H&M Group fined £32.1 million for GDPR breach

8 October 2020

Clothing company, H&M Group, has been fined €35.3 million, equivalent to £32.1 million, in relation to employment-related privacy breaches. The fine was issued by an information commissioner in Germany, and is the largest of its kind that has been issued, since the General Data Protection Regulation (GDPR) was implemented in the European Union (EU) back in 2018.

It was found that, since 2014, team leaders were holding back-to-work style interviews or informal chats after employees had a period of sickness-related absence or if they had been on holiday, even in scenarios where the period of leave was only for a short amount of time. Information from these conversations would be recorded, and would include details relating employee illnesses, activities they had undertaken on holiday, family issues and also the religious beliefs of members of staff. The company was fined due to the fact that it showed a serious disregard for employee data protection.

The personal information collected from employees during this time was regularly updated and digitally stored, in a location where it could be accessed by up to 50 other managers within the company. This was in addition to the fact that managers were acquiring information about the private lives of staff. The personal data was stored alongside performance evaluations in order to create "profiles" of staff, which it was hoped would steer any employment decisions that needed to be made.

The practices taking place within the company were highlighted when an IT error resulted in the records of employees becoming accessible to the whole company for a period of a few hours in October 2019.

Personnel Today [reported](#) that the Hamburg commissioner for data protection and freedom of information, Professor Johannes Caspar, said:

"This case documents a serious disregard for employee data protection at the H&M site in Nuremberg. The fine imposed is appropriate and will deter companies from violating their employees' privacy."

Companies who are found to be in breach of GDPR can be issued with fines potentially reaching €20 million or 4% of their annual global turnover. The fine imposed will equate to the higher of the two amounts.

As a result of the investigation and subsequent fine, H&M has confirmed that it has already started to make various data-related improvements at its Nuremberg service centre, and has started to introduce internal audits that look at data compliance. It has also began delivering training sessions to ensure that leaders create a safe and compliant work environment. Additionally, any individuals currently employed at the service centre, and those employed for at least one month since May 2018, will receive some form of financial compensation.

H&M Group stated:

"The incident revealed practices for processing employees' personal data that were not in line with H&M's guidelines and instructions."

"H&M takes full responsibility and wishes to make an unreserved apology to the employees at the service centre in Nuremberg."

Back to [Contents](#)

Government respond to the Director of Labour Market Enforcement

16 October 2020

The BEIS Labour Market Enforcement Team have recently published the Government response to the DLME 2019/2020 Strategy.

Before his retirement in July 2019, Director of Labour Market Enforcement, Sir David Metcalf published his 2019/20 Strategy in which he made 44 recommendations.

The [report](#) reveals that the government will be accepting 35 of those, partially accepting eight and rejecting outright one which was recommended that the NMW penalty multiplier be the subject of independent evaluation.

In rejecting this recommendation the report confirms:

'The Government accepts the importance of understanding the effect of the current NMW penalty multiplier. As HMRC enforces breaches that are up to 6 years old, it will take around 6 years from the date that the new rate was set in 2016 for its full effect to take hold. We will evaluate the effect of the multiplier once the full cycle of cases have taken place under the current level and so the Government rejects the recommendation to undertake an evaluation at this time. BEIS work with HMRC to continuously monitor the impact of the enforcement regime, including penalties, and will continue to do so'

The [Government response](#) to the UK Labour Market Enforcement Strategy 2019/2020 can be read in full at gov.uk.

Back to [Contents](#)

Director of payroll services company disqualified over 'contentious payments' equating to £2.7 million

19 October 2020

In July 2018, Jonas Stankevicius, 27, was appointed the sole director of S Jonas Solutions Limited, while the payroll services company was incorporated. Shortly after, in December 2018, the company entered into creditors voluntary liquidation.

The Insolvency Service became aware of the length of trading of the company and the fact that it had gone into liquidation, and subsequently decided to investigate a number of 'contentious payments'. It soon became apparent that Stankevicius did not comply with record-keeping requirements, and therefore did not have sufficient adequate accounting records.

Neither liquidators or investigators could determine whether or not £2.73 million in payments that were made from the payroll company's bank account were legitimate, in the period between August and October 2018. The distinct lack of records also meant that there was no way of calculating the amount of tax liabilities that S Jonas Solutions owed.

On 15 September 2020, as a result of the fact that Stankevicius did not contest the fact that he had failed to keep adequate accounting records, or that he had failed to provide these records to the liquidator, he was banned from being involved in the promotion, formation or management of a company, for eight years, commencing on 6 October 2020. The only exception to this would be if he received the permission of the court.

A [press release](#) from the Insolvency Service confirmed that its Chief Investigator, Mark Bruce, said:

"All directors have a statutory requirement to maintain company accounting records. Jonas Stankevicius, however, completely disregarded his responsibilities and as a direct consequence of his actions, he couldn't explain the legitimacy of £2.7 million of payments paid out of the payroll company's accounts over just two months.

But his misconduct has caught up with him and Jonas Stankevicius has been banned for eight years, which should serve as a warning to other rogue directors that your misconduct could see you being removed from the business environment for a substantial amount of time."

Back to [Contents](#)

Seasonal BACS processing dates - Dare we mention the “C” word?!?

28 October 2020

This time of year hosts many deadlines that payroll professionals need to be aware of, therefore it would be prudent to remind ourselves of the BACS processing deadlines for the seasonal period.

[BACS](#) provide a handy table which reminds payroll professionals of the dates in which payments will need to be processed so that they are paid to their employees on time.

CHRISTMAS AND NEW YEAR 2020 / 21

PAYMENT ARRIVAL DATE		PROCESSING DATE		LATEST SUBMISSION DATE	
Thursday	24 December	Wednesday	23 December	Tuesday	22 December
Tuesday	29 December*	Thursday	24 December	Wednesday	23 December
Wednesday	30 December	Tuesday	29 December*	Thursday	24 December
Thursday	31 December	Wednesday	30 December	Tuesday	29 December*
Monday	4 January	Thursday	31 December	Wednesday	30 December
Tuesday	5 January	Monday	4 January	Thursday	31 December
Wednesday	6 January	Tuesday	5 January	Monday	4 January

Many employers decide to pay employees' wages earlier in the month of December so that monies are received prior to the Christmas break. It is important to remember that if you change your pay date for this very reason, you will need to ensure that when you submit your Full Payment Submission (FPS) for that period, that the payment date remains the same as the usual pay date. This easement was originally implemented back in 2018, however, as detailed in the [December 2019 Employer Bulletin](#), HMRC advised that this easement would become permanent for years to come. Whilst employers may feel that they are 'helping out' employees by paying them earlier, if the usual payment date is not entered, it could in fact have the opposite affect if those employees are in receipt of universal credits.

The same also applies when payments are made earlier due to the usual pay date falling on either a bank holiday or a weekend (non-processing days).

Back to [Contents](#)

Increases to the real Living Wage confirmed

10 November 2020

The Living Wage Foundation has [confirmed](#) that the Real Living Wage has been increased to £10.85 in London (an increase of 10 pence), and £9.50 (an increase of 20 pence) in the rest of the UK.

These are the rates set for 2020-21 and will mean that over 250,000 individuals, working for nearly 7,000 employers, will see an increase to their wages. Data shows that, since 2011, more than £1.3 billion in extra wages has been directed to low-paid workers, with £800 million of that sent to those working in key worker industries. Approximately £200 million has been awarded to low-paid workers since the start of lockdown.

Research carried out by the Living Wage Foundation indicates that a fifth of employees, or 5.5 million staff, are still paid below the level of the real Living Wage. Living Wage rates are calculated independently and are determined on the basis of the amounts that people need to live on, to cover their everyday needs. They are not to be confused with the National Living Wage (NLW) rates that are set out by the Government each year, which must be paid by employers to the majority of staff aged 25 and over. The current rate for tax year 2020-21 is £8.72 per hour. The UK real Living Wage rate is 78 pence higher per hour than the NLW, and the London Living Wage is £2.13 more per hour.

More than 800 employers have accredited with the Living Wage Foundation since the start of the breakout of coronavirus, and they have joined a network of nearly 7,000 businesses across the UK who have opted to pay the real Living Wage to their staff.

Living Wage Week, which runs from 9-15 November 2020 celebrates those employers that have chosen to ensure that their employees and sub-contracted staff receive the real Living Wage. The rates that have been announced should be implemented by employers as soon as possible, but within six months of the date of the announcement, meaning that employees should be receiving the new rate by 9 May 2021 at the very latest if work for an accredited Living Wage employer.

Back to [Contents](#)

Holiday Pay

The effect of COVID-19 on holiday entitlement and pay

14 May 2020

The department for Business, Energy and Industrial Strategy (BEIS) has published [guidance](#) relating to how holiday entitlement and pay will be treated during the coronavirus crisis, and how it differs from the standard holiday entitlement and pay guidance.

The guidance is aimed at employers with the intention of helping them to understand their duties in terms of workers who continue to work and also those who have been placed on furlough.

Employers and workers should address individual contracts and if necessary, seek the relevant independent legal advice.

Holiday entitlement

The majority of workers are entitled to 5.6 weeks' worth of paid holiday on an annual basis. There is an exception to this in those who are self-employed.

The statutory 5.6 weeks is split into four weeks derived from EU law, and an additional 1.6 weeks in UK law. The guidance relates to the UK's legal minimum entitlement of 5.6 weeks. This is the minimum requirement, but many employers may offer additional holiday that extends past that point. This will be detailed within an employee's contract of employment.

The entitlement remains unchanged regardless of whether an individual is on sick leave, parental leave or any other form of statutory leave. A worker can request holiday at the same time as they are on sick leave but cannot be forced to take holiday while off sick.

Workers who have been placed on furlough continue to accrue statutory holiday entitlements throughout the period in which they are placed on furlough, and also any additional holiday entitlement laid out in their contract of employment.

Taking holiday

Employers have the ability to require workers to take holiday, and to cancel a worker's holiday, where sufficient notice is given to the worker.

The mandatory notice periods are:

- Double the length of the holiday if the employer wishes the worker to take holiday at a specific time
- The length of the planned holiday where the employer wishes to cancel a worker's holiday or requires the worker not to take holiday on particular dates

Employers can request that workers take or cancel holiday with less notice, but the worker must agree to this. The notice periods are in advance of the first day of the holiday, and the notice must be given prior to the notice period commencing. To put this into practice, if an employer wanted to stop a worker from taking a week's holiday, they would have to give notice earlier than one week before the first day of that holiday. When calculating the notice period, any uninterrupted period of holiday counts as a single period. The rules on notice periods can be amended by written agreement between the employer and the worker.

Workers on furlough are entitled to take holiday, and for it to have no effect on their furlough. The mandatory notice periods still apply.

If employers would like workers to take annual leave during their period of furlough, they should discuss this with them before requiring them to do so. Employers should also consider if there are any restrictions employees are under, for example, if they must socially distance or self-isolate, as this could potentially stop the worker from resting and relaxing, which are the purposes of taking holiday.

Bank holidays

Employers have the option to include bank holidays as part of a workers' statutory holiday entitlement, but they do not have to. Employers can instruct workers who would ordinarily take bank holidays as holiday to work instead, as long as they use the standard notice periods. Workers are still entitled to the statutory holiday entitlement for the year, so employers need to consider this.

For workers on furlough, where a bank holiday falls within their period of furlough and the worker would have usually worked that bank holiday, their furlough is unaffected by it. If the worker would ordinarily have their bank holiday as annual leave, then there are two options:

- If the employer and worker are in agreement that the bank holiday can be taken as annual leave while on furlough, the employer must pay the correct holiday pay
- If the employer and worker are in agreement that the bank holiday will not be taken as annual leave at that time, then the worker must still receive the day of annual leave that would have been received. The leave can be deferred to a later date, but the worker must still receive their full holiday entitlement

Holiday pay

The fundamental principle behind holiday pay is that a worker should receive pay when they are on holiday to reflect pay that they would have received had they been at work and working. The pay a worker receives will depend on how many hours they work, and how they are paid for those hours.

Holiday pay for those on furlough and also for those who aren't, should be calculated in alignment with current legislation and based on a worker's usual earnings. Where a worker has regular hours and pay, holiday pay is calculated on these hours but if they have variable hours or pay, then the holiday pay is calculated using an average of the previous 52-weeks' worth of remuneration. Weeks in which there was no remuneration are discounted from the calculation.

Where workers are furloughed and taking annual leave, the employer must still calculate and pay holiday pay in accordance with legislation. If this is above the amount that employees receive while on furlough, then the employer must pay the difference but can continue to claim the 80% grant from the government to cover some of the cost of the holiday pay.

Carrying annual leave forward

The 5.6 weeks of statutory holiday is split out into four weeks and 1.6 weeks and there are differences in the rules that apply. 1.6 weeks can be carried forward into the following leave year where there is a written agreement between the worker and the employer. Four weeks, however, cannot be carried into future leave years so these weeks must be taken within the year.

In some scenarios, employers must allow the four weeks entitlement to be carried into future leave years. If a worker cannot take annual leave as they are on maternity leave or off sick, they are entitled to carry their annual leave forwards. These rights remain irrespective of whether a worker is furloughed or not.

The government has passed new emergency legislation - [The Working Time \(Coronavirus\) \(Amendment\) Regulations 2020](#), laid before Parliament on 27 March 2020) - which will mean that workers will be able to carry holiday forward where the impact of coronavirus has meant that it has not been reasonably practicable for them to take it in the leave year to which it relates. This applies to the four weeks' worth of holiday, and it can be carried forward to the following two leave years. When calculating what holiday a worker can carry forwards, employers must give workers the opportunity take any leave that they cannot carry forward before the end of the leave year. The regulations allowing the holiday to be carried forward have been mirrored in Northern Ireland - [The Working Time \(Coronavirus\) \(Amendment\) Regulations \(Northern Ireland\) 2020](#), but took effect from 24 April 2020.

When considering whether it was reasonably practicable for a worker to take leave due to coronavirus, employers should consider various factors, such as:

- If the business faced increased demand due to coronavirus that would require workers to continue to work
- How far the business' workforce was disrupted by coronavirus and the options available to the business to provide temporary cover for essential duties
- The health of the worker and how soon they need to take a period of rest
- The length of time remaining in the worker's leave year, to enable the worker to take holiday at a later date within the leave year
- How much the worker taking leave would impact on wider society's response to, and recovery from, the coronavirus situation
- If the remainder of the workforce are available to provide cover for the worker taking leave

Employers should do everything reasonably practicable to allow workers to take as much of their leave as possible in the year to which it relates, and it is best practice for them to give workers the opportunity to take holiday at the earliest practicable opportunity.

It is unlikely that workers who are on furlough will need to carry forward statutory annual leave, as they have the right to take it during the period of furlough. As previously discussed, employers will be required to pay the correct holiday rate which is likely to be higher than the amount they can claim through the Coronavirus Job Retention Scheme (CJRS), so they must make up the difference.

If the employer is unable to fund the difference this would make it not reasonably practicable for the worker to take their leave, meaning that they could carry their annual leave forwards. The worker must still have the opportunity to take their annual leave, and to receive the correct amount of holiday pay before the carried annual leave is lost at the end of the next two leave years.

Examples of what may be reasonably practicable:

- A worker has two weeks of holiday left and their leave year ends in two months. A significant proportion of the employer's workforce is unable to attend work during those two months due to coronavirus. The employer reviews the steps it could take to manage the two month period and this highlights the fact that it is not reasonably practicable for the worker to take both weeks of holiday in the remainder of the leave year. The employer and the worker are in agreement that one week of leave will be taken as part of the leave year and the additional week will be carried forwards to be taken as early as possible
- A worker has just commenced a new leave year so had their full entitlement to take over 12 months. Their employer experiences a surge in demand that is expected to last for a period of three months. The employer and the worker agree that it would not be reasonably practicable for the worker to take holiday in the three months in which demand had decreased but that it will be possible for the worker to use their full entitlement in the remainder of the leave year, so there is no requirement to carry holiday forwards

Where workers carry leave forwards due to coronavirus, they continue to accrue holiday in the following leave year, so they will have two entitlements. They are the holiday that has been carried forward to be taken in the next two leave years, and the entitlement relating to the new leave year. Holiday pay for leave carried forward should be calculated in the same fashion as the standard calculations for holiday pay.

A useful example illustrates this:

- Due to coronavirus, a worker carries two weeks of holiday into their next leave year. For that leave year, they will have a total of 7.6 weeks of statutory holiday entitlement, consistent of the two weeks carried forward and the 5.6 weeks they are entitled to in the new leave year.

When a worker with these two entitlements takes holiday, it would be best practice to allow the worker to take holiday from whichever entitlement expires first. They should be entitled, in this scenario, to take the holiday they are entitled to in the new leave year before taking the carried forward holiday as that lasts for a period of two years.

Workers must be allowed by their employer to take carried forward holiday, and they must have good reason for refusing any holiday requests under this entitlement. Employers can request that workers take their carried forward holiday as opposed to their regular entitlement. The employer must, however, still ensure that the worker receives their full regular entitlement in the leave year to which it relates.

Where carried forward leave is taken into a further leave year, the employer must allow the worker to take their leave within that later year.

There is no requirement to give workers notice they will be able to carry holiday forward if they do not take it but it is unlawful for businesses to prevent workers from taking holiday that they are entitled to. Therefore, to ensure that workers do not miss out on their holiday entitlement, best practice is for employers to advise workers of the need to carry forward, and how much leave will be carried forward.

Where it is reasonably practicable for a worker to take annual leave, employers should facilitate this, and the employer's ability to require a worker to take annual leave is unaffected by the ability to carry forward holiday. Broadly, employers remain able to require workers to take annual leave to ensure that holiday is taken in the leave year to which it relates.

An employer must let a worker take their annual leave and not replace it with payment in lieu. Where a worker leaves employment, the employer must pay the worker for any untaken leave. This will include any leave carried forward due to the coronavirus, and any leave that the worker has accrued in the relevant leave year. The payment for this untaken leave is based on a statutory formula laid out in the Working Time Regulations (WTR).

Furloughed agency workers

Any agency workers, inclusive of those working through an umbrella company, are still entitled to accrue holiday under the WTR, and/or their contract. This applies even if they are placed on furlough and a claim is made for them under the CJRS.

Workers will continue to accrue holiday whilst on furlough. Where agency workers are engaged under a contract that sets out their entitlement to holiday, they will continue to accrue holiday on furlough as they ordinarily would when between, or otherwise not working, on assignments.

Some agency workers on a contract for services may not be entitled to accrue or take holiday under the WTR when on furlough because they are not treated as workers under those regulations when between assignments or otherwise not working on assignments. Contracts may nevertheless include holiday provisions which will continue to operate in the same way as they did before the furlough period.

Agency workers with worker status can take the holiday they are entitled to under the regulations or their contract of employment while on furlough. The employer placing an agency worker on furlough may continue to claim the grant from HMRC for 80% of the figure, but the employer must pay the amount to top the pay up to 100%.

Employers can control when a worker takes leave if they observe the correct notice period, and the same applies to agency workers. Similarly, businesses may refuse holiday requests of agency workers. Agency workers may be able to carry holiday into future leave years.

Back to [Contents](#)

Modern Working Practices (Good Work Plan)

Expenses, Benefits & Reward

Childcare

Company Cars

P46 (car) form for tax year 2020-21 published

29 April 2020

HMRC has published the [P46 \(car\) form](#) for employers to use from 6 April 2020 when notifying HMRC if they have provided or withdrawn a car for an employee's personal use.

Employers have the option to inform HMRC when they have provided or withdrawn car benefits for an employee or a director by either:

- Using PAYE online
- Using the online service
- Completing [the form](#) on-screen, printing it off and posting it to HMRC

In order to notify HMRC online, employers will require a Government Gateway user ID and password. If they don't already have this, they can create one when submitting the notification to HMRC.

For employers using the online form, a reference number will be generated that they can use in order to track the progress of their form. Employers will need their Unique Tax Payer Reference number (UTR) or VAT reference number in their Business Tax Account. This can be added from their account homepage.

There is a reminder that, for Euro standard 6d (Real Driving Emissions 2 (RDE2)) compliant diesel cars, for tax year 2019-20, employers will need to report diesel company cars which meet Euro standard 6d as 'Fuel Type F'. Information can be obtained from the Driver Vehicle Licencing Agency (DVLA) which will help to identify whether or not a car meets Euro Standard 6d, via their online Vehicle Enquiry Service, for cars manufactured after September 2018. For cars registered from 1 September 2018, Euro standard 6d information is available on the form V5C.

From 2020-21, if a car has a CO2 figure of 1-50g / km, the car's zero emission mileage needs to be provided. This is the maximum distance that the car can be driven in electric mode without the requirement for the battery to be recharged. Employees should request the zero-emission mileage figure from their employer, who can obtain this information from the car leasing firm or fleet provider. Zero-emission mileage figures may also be located on a vehicle's Certificate of Conformity.

[Back to Contents](#)

Advisory Fuel Rates

26 May 2020

Company car Advisory Fuel rates that will apply from 1 June 2020 have been published.

HMRC has issued details of the latest [Advisory Fuel Rates](#) (AFRs) for Company Cars. Rates will apply from 1 June 2020.

For one month from the date of change, employers may use either the previous or new current rates, as they choose. Employers may therefore make or require supplementary payments if they so wish but are under no obligation to do either.

The new rates are below (previous rate in brackets where there is a change):

Engine size	Petrol	LPG
1400cc or less	10p (12p)	6p (8p)
1401cc to 2000cc	12p (14p)	8p (10p)
Over 2000cc	17p (20p)	11p (14p)
Engine size	Diesel	
1600cc or less	8p (9p)	
1601cc to 2000cc	9p (11p)	
Over 2000cc	12p (13p)	

Hybrid cars are treated as either petrol or diesel cars for this purpose.

Back to [Contents](#)

Calculating Advisory fuel rates

27 July 2020

HMRC has published detailed [guidance](#) relating to advisory fuel rates for company car users, including when they can be used and how they are calculated.

As well as the detailed guidance on how the advisory fuel rate is calculated, the guidance makes it clear the tax and National Insurance (NI) liabilities that are reportable where a rate above the advisory fuel rate is reimbursed to the employee.

If an employer reimbursement is no more than the advisory fuel rates for the engine size and fuel type of the company car, the employee is not liable to pay either tax or NI. Employers are advised that if the company car provided is more fuel efficient or the cost of business travel is higher than the advisory fuel rates, employers can use their own rates to reflect their personal situations.

If the cost of business travel is higher than the advisory fuel rates, and employers choose to pay a higher rate to cover the cost of business miles travelled, proof will need to be provided to prove costs for no fuel benefit charge to arise. If this cannot be proven, any excess of the advisory fuel rates will need to be treated as earnings, liable to both tax and NI.

Some company car users are provided with fuel for their company car with no tax liability on the proviso that the employee records all private miles travelled and the cost of those miles are repaid at the correct rates (or higher) by the employee. Advisory fuel rates will not need to be used where it can be shown that the employee covers the full cost of private fuel by repaying at a lower mileage rate in the event the employer uses their own rates.

HMRC review rates quarterly on:

- 1 March
- 1 June
- 1 September
- 1 December

For full details of how the rates are [calculated](#) see the recently published gov.uk page.

Back to [Contents](#)

Certain modified crew-cab vehicles are now classified as cars

11 August 2020

In the case of [Payne, Garbett and Coca-Cola European Partners Great Britain Ltd. v HMRC](#), the Court of Appeal found that three variations of modified crew-cab vehicles should be classified as cars, as opposed to vans, for the purposes of tax benefits.

The outcome of the case will have significant impacts for any employees and employers using or providing these types of multi-purpose vehicle.

The background to the case is that Coca-Cola provided employees with these three types of modified vehicle. Each of the vehicle types was based on a panel van design, housing a second row of seats behind the driver. The vehicles are commonly referred to as 'crew-cab' vehicles. Employees were able to use them privately, meaning that they would

have been classed as a benefit in kind. The vehicles were first or second generation VW Transporter T5 Kombis, or Vauxhall Vivaros.

Coca-Cola asserted that all of these vehicles were vans, whilst HMRC argued that they were all actually classed as cars. Vans are more beneficial in terms of tax purposes than cars. The First Tier Tribunal found that, as Kombis are multi-purpose, they do not meet the criteria to be considered as vans and, therefore, should be classed as cars. The First Tier Tribunal found that the Vivaro, however, could reasonably be classed as a van, but only on very specific grounds. If the second row of seats don't span the width of the vehicle as they do in the Kombi then the vehicle could be classed as a van due to the extra load space in the centre of the vehicle. The Upper Tribunal agreed with this judgement.

The Court of Appeal, however, has stated that all three types of vehicle are multi-purpose vehicles as they are able to carry both goods and people, and none of them are 'van-like' enough so must be taxed in the same way as cars. Benefit in kind legislation maintains that, in order to be classed as a van, the vehicle needs to be a 'goods vehicle'. A 'goods vehicle' is defined as 'a vehicle of a construction primarily suited for the conveyance of goods or burden.' Where vehicles do not meet this definition, they will be taxed in line with how cars are taxed. As the vehicles had been altered, the wording 'of a construction' applied, and the Court of Appeal agreed with the lower courts that this should be taken as the condition of the vehicle following modifications, and in the state that it was given to the employee.

There were areas in which the Court of Appeal disagreed with judgements made in the lower court. The main one was how to interpret the term 'primarily suited'. The Court of Appeal felt that this should be taken to mean 'first and foremost', so clearly more suitable for goods, and not just marginally suitable. The difference between the two vehicle types was not enough to differentiate them because both were equally capable of carrying either goods or people, and neither were primarily suited to the carrying of goods. Therefore, both vehicles could not be classed as vans for the purposes of benefits in kind.

For tax year 2020-21 onwards, employers must remember the outcome of the case when preparing P11Ds. Companies may need to carry out reviews of the company vehicles that they provide, and should also consider the implications of the ruling of the case when purchasing any additional company vehicles.

Back to [Contents](#)

Advisory Fuel Rates for company cars from 1 September 2020

4 September 2020

Company car Advisory Fuel rates that apply from 1 September 2020 have been published.

HMRC has issued details of the latest [Advisory Fuel Rates](#) (AFRs) for Company Cars. Rates applied from 1 September 2020.

For one month from the date of change, employers may use either the previous or new current rates, as they choose. Employers may therefore make or require supplementary payments if they so wish but are under no obligation to do either.

The new rates are below (previous rate in brackets where there is a change):

Engine size	Petrol	LPG
1400cc or less	10p	7p (6p)
1401cc to 2000cc	12p	8p
Over 2000cc	17p	12p (11p)
Engine size	Diesel	
1600cc or less	8p	
1601cc to 2000cc	10p (9p)	

Over 2000cc	12p
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Hybrid cars are treated as either petrol or diesel cars for this purpose.

The latest update to the [guidance page](#) also includes information on how rates are calculated where the mean miles per gallon (MPG) were produced using the New European Driving Cycle (NEDC) or the Worldwide Harmonized Light Vehicle Test (WLTP).

Back to [Contents](#)

General Expenses, Benefits & Reward News

Approved professional organisations and learned societies (list 3)

9 April 2020

HMRC has updated the list of professional bodies and learned societies (also known as List 3) with tax-deductible fees.

For some professional organisations, members can [claim tax relief](#) on fees or subscriptions.

[List 3](#) shows all organisations whose members qualify for a tax deduction on professional fees and subscriptions pertaining to that organisation.

The list is updated periodically and includes all bodies approved by the commissioners for HMRC.

HMRC has confirmed that there has been one addition to the list, as follows:

Additions (with effect from 6 April 2019)

The Controlled Release Society (CRS)

Professional organisations can [apply for approval for tax relief using form P356](#).

CIPP comment

The CIPP appears on list 3, which means that any self-funding members can claim tax relief on their membership fees. The CIPP is listed under 'P' under the title 'Payroll Professionals Chartered Institute of (new title from 10 November 2010 formerly Institute of Payroll Professionals)'.

Back to [Contents](#)

The CIPP's OpRA factsheet is now available

21 April 2020

The CIPP aims to equip payroll professionals with the knowledge that will allow them to confidently process payroll, and to deliver information that relates to a wide variety of payroll elements, as the role the department plays within businesses becomes increasingly complex. The CIPP's latest [factsheet](#) provides an overview of Optional Remuneration Arrangements (OpRA) which is easily digestible and can be printed off.

The [factsheet](#) is divided into sections, including:

- What is OpRA?
- What changed?
- What is 'grandfathering'?
- Benefits now subject to OpRA rules
- Benefits that retain salary sacrifice advantages

Back to [Contents](#)

Temporary tax and National Insurance exemption for coronavirus-related reimbursed home office expenses

15 May 2020

Financial Secretary to the Treasury, Jesse Norman, has [confirmed](#) that, in order to help employees working from home who have had to buy home office equipment as a result of the coronavirus crisis, and are reimbursed for it by their employer, there will be no associated tax and National Insurance (NI) liabilities to pay on those expenses.

This is a temporary measure and there are two conditions that must be met in order for the purchases to be eligible for the relief:

- The equipment must be purchased for the single purpose of enabling the employee to work from home due to the coronavirus outbreak
- Providing the equipment would have been exempt from income tax should it have been provided directly to the employee by, or on behalf of, the employer

The measure will take effect from the day after the regulations come into force, but HMRC will not collect tax and NI contributions on any reimbursed payments made on or after 16 March 2020, as this was the date that the government encouraged companies to allow their staff to work from home. The government plans to lay the statutory instruments to update these charges shortly.

The announcement has been made outside of the standard fiscal process to allow employers and employees to manage their work from home arrangements at the earliest opportunity.

Back to [Contents](#)

Temporary exemption to Income tax and NICs due on home office equipment due to COVID19 measures

1 June 2020

A [temporary exemption](#) will operate from 11 June 2020 and for the remainder of the 2020-2021 tax year

Employers may have asked employees to purchase equipment and materials to enable their home-office set up due to the Coronavirus lockdown measures, which require employees to 'work from home where they can'.

Employers will benefit from a temporary lifting of a reporting measures for Income Tax and NICs where the following two conditions are met:

- Equipment is obtained for the sole purpose of enabling the employee to work from home as a result of the coronavirus outbreak

- The provision of the equipment would have been exempt from income tax under section 316 of ITEPA if it had been provided directly to the employee by or on behalf of the employer

Section 316 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA 2003) provides a tax exemption where an employer provides home office equipment directly and retains ownership of that equipment, and the employee's private use is not significant.

This current exemption does not extend to employer reimbursements for employee expenditure on home- office equipment.

As required by section 210(2) ITEPA 2003, the exemption will be conditional on the benefit of any reimbursement in respect of home-office equipment expenses being made available to all of an employer's employees generally on similar terms.

The exemption is a temporary measure that will apply from the day after regulations come into force until, stated to be from 11 June 2020 until the end of the tax year 2020-21.

Meanwhile, HMRC will exercise its collection and management discretion and will not collect tax and NICs due on any reimbursed payments made from 16 March 2020 until the regulations take effect, provided the relevant conditions are met.

A [tax information and impact note \(TIIN\)](#) has been published on [Gov.uk](#)

Back to [Contents](#)

Approved professional organisations and learned societies (list 3)

4 June 2020

HMRC has updated the list of professional bodies and learned societies (also known as List 3) with tax-deductible fees.

For some professional organisations, members can [claim tax relief](#) on fees or subscriptions.

[List 3](#) shows all organisations whose members qualify for a tax deduction on professional fees and subscriptions pertaining to that organisation.

The list is updated periodically and includes all bodies approved by the commissioners for HMRC.

HMRC has confirmed that there has been one addition to the list, as follows:

Additions (with effect from 6 April 2016)

Young Presidents Organisation London

Professional organisations can [apply for approval for tax relief using form P356](#).

CIPP comment

The CIPP appears on list 3, which means that any self-funding members can claim tax relief on their membership fees. The CIPP is listed under 'P' under the title 'Payroll Professionals Chartered Institute of (new title from 10 November 2010 formerly Institute of Payroll Professionals)'.

Back to [Contents](#)

Updates to guidance on the treatment of expenses provided to employees during COVID-19

15 June 2020

HMRC has updated two pages of guidance in relation to the treatment of [certain expenses and benefits provided to employees during coronavirus](#) and on checking which [expenses are taxable if employees work from home due to coronavirus](#).

Within [guidance](#), HMRC confirms how to proceed when returning office equipment. If the equipment is provided by the employer, so they have supplied employees with office equipment in order to enable them to work from home, there is no tax charge when they return the equipment back to the employer, as long as there is no transfer of ownership. If an employer does transfer ownership of the equipment to an employee, then this becomes an employee benefit. The charge must be calculated on the market value of the equipment at the time of transfer, minus any amount made good by the employee.

If an employee bought their own home office equipment to use when working from home and an employer has reimbursed the exact expense, then unless the employer has specified that the employee must transfer the ownership to them then the equipment is owned by the employee. There is no benefit charge on the reimbursement, and no benefit charge if the employer allows the employee to keep the equipment, as it is something that they already own.

Updated [guidance](#) confirms that, if employers pay for travel and subsistence expenses for employees travelling to temporary workplaces, if an employee was furloughed whilst travelling to a temporary workplace then the period of furlough forms part of that period of continuous work. A period of working from home is also counted as part of the period of continuous work. However, the workplace ceases to be temporary from the date that attendance there is expected to exceed 24 months. Tax and National Insurance (NI) contributions will at that point become liable on payments of any travel and subsistence expenses.

Back to [Contents](#)

Approved professional organisations and learned societies (list 3)

3 July 2020

HMRC has updated the list of professional bodies and learned societies (also known as List 3) with tax-deductible fees.

For some professional organisations, members can [claim tax relief](#) on fees or subscriptions.

[List 3](#) shows all organisations whose members qualify for a tax deduction on professional fees and subscriptions pertaining to that organisation.

The list is updated periodically, and includes all bodies approved by the commissioners for HMRC.

HMRC has confirmed that there has been one amendment to the list, which is as follows:

Amendments

The name of 'Water Officers Institution of' has been changed to 'Institute of Water'.

Professional organisations can [apply for approval for tax relief using form P356](#).

CIPP comment

The CIPP appears on list 3, which means that any self-funding members can claim tax relief on their membership fees. The CIPP is listed under 'P' under the title 'Payroll Professionals Chartered Institute of (new title from 10 November 2010 formerly Institute of Payroll Professionals)'.

[Back to Contents](#)

Tax treatment of COVID-19 tests and Personal Protective Equipment

7 July 2020

HMRC has updated its [guidance](#) relating to the tax treatment of certain benefits and expenses paid to employees due to coronavirus, to explain how employers should proceed where they are providing coronavirus testing kits, or Personal Protective Equipment (PPE) to their employees.

If an employer has purchased coronavirus testing kits or tests completed by a third party to provide to their employees, then they are treated as a taxable benefit in kind on the employee.

Where employees are working in scenarios and the likelihood of the transmission of coronavirus is very high, and a risk assessment determines that PPE is required, then this must be provided to employees free of charge. The PPE must fit correctly. Providing PPE to employees is non-taxable. If an employee requires PPE to complete their job and the employer is unable to provide this, then employers must reimburse the actual expenses of employees purchasing PPE themselves. This is non-taxable and employees cannot claim tax relief on these expenses from HMRC.

[Back to Contents](#)

U-turn on tax treatment of coronavirus (COVID-19) tests

10 July 2020

Previously in its guidance on '[How to treat certain expenses and benefits provided to employees during coronavirus \(COVID-19\)](#)', HMRC confirmed that coronavirus tests would be treated as a benefit in kind for tax purposes. This decision, however, seems to have changed, and the guidance now states that coronavirus tests are not treated as a benefit in kind for the purposes of tax.

If businesses employ healthcare workers and other eligible front-line staff who get a test through the government's national testing programme, there is no tax due to be paid, and no requirement to report a benefit to HMRC. There is information on the national testing scheme in the [essential workers: get a test today to check if you have coronavirus guide](#).

For employers providing testing kits to their employees, outside of the government's national testing scheme, there will also be no Income Tax or Class 1A National Insurance (NI) contributions due, whether the kits are provided directly or purchased to be carried out by a third party.

Guidance on the topic will be updated in due course.

[Back to Contents](#)

Policy paper and draft legislation produced in relation to Income Tax changes to the van benefit charge

24 July 2020

HMRC has published a [policy paper](#) and [draft legislation](#) which, from tax year 2021-22, will serve to reduce the van benefit charge for zero emissions vans to zero.

Amendments to existing legislation will mean that the cash equivalent of the van benefit charge will be reduced to zero for vans emitting zero carbon dioxide emissions. This is only applicable to vans that cannot emit CO2 under any circumstances whilst being driven.

This measure was announced at Budget, in March 2020. This is in support of the government's objectives relating to decarbonisation and air quality initiatives and encourages the use of more environmentally-friendly goods vehicles by reducing the level of tax charge that would otherwise be applicable. Vans are typically more polluting than cars and often do more mileage. A substantial amount of domestic UK greenhouse gas is created by road transport, so it is hoped that this move will help to incentivise the uptake of zero emissions vans, which will subsequently have a positive effect on the environment.

This will impact any businesses providing company zero emission vans and employees who are provided with them, where they are also made available for personal use and the restricted private use condition is not met.

Back to [Contents](#)

HMRC webinar: expenses and benefits for employers – phones, internet, and homeworking

1 September 2020

As many employees have been instructed by their employers to work from home, over the course of the past few months, in a bid to prevent the further transmission of coronavirus, businesses may have had to provide staff with items to enable them to efficiently work remotely.

In recognition of this, HMRC is hosting a [webinar](#), which explains how to deal with the tax and National Insurance (NI) implications for employers providing a mobile phone or reimbursing the use of a personal mobile phone, those providing a broadband internet connection in an employee's home or paying towards it, or homeworking expenses, to employees.

Anyone that attends the [webinar](#) will have the opportunity to ask any questions they may have using the on-screen text box.

The [webinar](#) is scheduled to take place on Tuesday 29 September 2020 at 9:45 AM.

Back to [Contents](#)

Guidance on expenses and benefits for apprenticeship bursaries for care leavers

16 September 2020

HMRC has published [guidance](#) on the exemption of Income Tax and National Insurance (NI) contributions that can be applied to the apprenticeship bursary payment provided to care leavers and those in local authority care.

Organisations do not need to pay any tax or NI contributions on the bursary payment to apprentices who are care leavers, or those who are in the care of a local authority. There will also be no reporting requirements for businesses in relation to this payment. The exemption is applicable to apprenticeships that began on, or after, 1 August 2018.

The Education and Skills Funding Agency (ESFA) can make the £1,000 bursary payment to be given to apprentices who are aged between 16 and 24, and who are starting an English apprenticeship. The bursary is paid to apprenticeship training providers in scenarios where an apprentice remains on an apprenticeship for a minimum of 60 days. The provider then transfers this to the apprentice in one single payment within 30 days of receiving it. This is the case unless the EFSA confirms in writing that a longer period is allowable.

There are certain eligibility conditions for the care leavers' bursary for apprentices, and it is intended that the payment will help to remove barriers to accessing the apprenticeship. For an apprentice to be eligible, they must be either:

- They must be an eligible child, meaning a young person who is 16 or 17, who has been looked after by a UK local authority or health and social care trust for a minimum of 13 weeks since the age of 14, and who is still looked after
- They must be a relevant child. This is a young person who is 16 or 17 and has left care within the UK after their 16th birthday, and prior to leaving care, was classed as an eligible child
- They must be a former relevant child. This is a young person aged between 18 and 21, who, before turning 18, was either an eligible or relevant child. This can be up to their 25th birthday if they are in education or training

And:

- They must have commenced their apprenticeship on or after 1 August 2018, and not been in receipt of the care leavers' bursary before

Further information is available in relation to the requirements for both employers and providers, and the evidence that they must collect and retain in the [apprenticeship funding rules](#).

Back to [Contents](#)

Approved professional organisations and learned societies (list 3)

30 September 2020

HMRC has updated the list of professional bodies and learned societies (also known as List 3) with tax-deductible fees.

For some professional organisations, members can [claim tax relief](#) on fees or subscriptions.

[List 3](#) shows all organisations whose members qualify for a tax deduction on professional fees and subscriptions pertaining to that organisation.

The list is updated periodically, and includes all bodies approved by the commissioners for HMRC.

HMRC has confirmed that there has been one amendment to the list, which is as follows:

Amendments

The name of 'Highway Incorporated Engineers Institute of' has been changed to 'Institute of Highway Engineers'.

Professional organisations can [apply for approval for tax relief using form P356](#).

CIPP comment

The CIPP appears on list 3, which means that any self-funding members can claim tax relief on their membership fees. The CIPP is listed under 'P' under the title 'Payroll Professionals Chartered Institute of (new title from 10 November 2010 formerly Institute of Payroll Professionals)'.

Back to [Contents](#)

HMRC confirms that it has received over 50,000 tax relief claims from those working from home

15 October 2020

Employers are able to pay employees up to a maximum of £6 per week tax-free, in order to cover additional costs that they may have incurred as a result of working from home. This figure has been applicable since 6 April 2020, and

HMRC has [confirmed](#) that it has received in excess of 54,800 claims from individuals wishing to claim this tax relief for working at home through a new online portal, which can be used where employers have not paid their employees the home expenses payment directly. This figure was observed in the period between 1 October 2020 and 11 October 2020.

An [online portal](#), which was launched on 1 October 2020, allows employed workers to process tax relief on additional expenses where they have been instructed by their employer to work from home to help in stopping the spread of coronavirus. Any employees who have not received the working from home expenses payment directly from their employer can use this portal to receive the tax relief from HMRC instead. The tax relief is calculated at the rate at which they pay tax, so for employed workers who ordinarily pay the basic rate of tax of 20%, they would receive £1.20 a week in tax relief to help towards their household bills. Any individuals paying the higher rate of tax at 40% would receive £2.40 a week. Over the duration of a full year, this means that employees could reduce the tax they pay by £62.40 (20% taxpayer) or £124.80 (40% taxpayer).

If an application is approved, then the online portal will adjust the individual's tax code for tax year 2020-21. This means that the employee will then receive the tax relief directly on their salary and will continue to receive the adjustment until March 2021.

The Interim Director General of Customer Services at HMRC, Karl Khan, commented:

"We want everyone to get the money that they are entitled to, so we've made the online service as easy to use as we can – it takes just a few minutes to make a claim."

Employed workers, for example, healthcare workers and care home staff are also being reminded that they also have the option of claiming tax relief on work-related expenses, including cleaning their work uniforms.

Any employees who clean, replace or repair either uniform or tools, or pay fees and subscriptions for work, can check to see if they are eligible for tax relief on work expenses, and get an instant decision, by applying online directly to HMRC.

Back to [Contents](#)

HMRC webinars: business expenses

19 October 2020

HMRC is hosting several webinars on a range of different business expenses to help self-employed individuals to ensure that they are recording those expenses correctly.

The webinars will provide facts on which expenses can be claimed, and how they should then be added onto Self-Assessment tax returns.

On each webinar, there will be the opportunity to raise any questions within the on-screen tax box.

Capital Allowances for the self-employed

This webinar is aimed at individuals who use traditional accounting and will instruct how to claim for longer-life items purchased for businesses, for example, vans, machinery and computers.

Sign up for this webinar [here](#).

Car expenses for the self-employed

This webinar examines the two main methods of claiming car expenses, and also provides examples of how they are calculated. Hire and lease cars are also discussed.

Register for the webinar [here](#).

Business expenses for the self-employed

This will be a run through of the most frequently used expenses, and will demonstrate how they are calculated correctly for the purposes of Self-Assessment tax returns.

Sign up for the webinar [here](#).

Back to [Contents](#)

New Quick Poll: The homeworking allowance

21 October 2020

As coronavirus has resulted in a significant increase to the number of employees who are working from home, the CIPP's Policy and research team want to explore whether individuals are receiving the homeworking allowance, and if they are, the way in which this is being administered.

The team has added a new question to the [CIPP's News Online page](#) and would be very interested in hearing from you. We realise that payroll professionals are extremely busy at this point in time, particularly given recent Government announcements regarding new measures, but the [Quick Poll](#) will take less than a minute to complete, and is your opportunity to feed into research relating to payroll and policies that are currently in place.

The question asks: "how have you benefitted from the homeworking allowance?"

In addition to assessing how many individuals are actually benefitting from the allowance, we also want to gauge how this is being provided, so are employers administering this for their staff, or are people claiming the relief themselves, either at year end, or via the [online portal](#) at Gov.UK?

Don't miss the opportunity to have your say, and respond to the [Quick Poll](#) today!

Back to [Contents](#)

PSA deadline approaches

21 October 2020

PAYE Settlement Agreements (PSA) allow employers to make one annual payment in relation to the tax and National Insurance (NI) due on minor, irregular or impracticable expenses or benefits that have been provided to employees.

Anyone who has used a PSA for tax year 2019-20 must ensure that they make this payment by 22 October 2020 if they are paying electronically, to ensure that they don't have to pay any penalties or interest.

Employers who have a PSA for certain items will not be required to:

- Process them via payroll to calculate tax and NI
- Include them in end-of-year P11D forms
- Pay Class 1A NI on them at the end of the tax year, as Class 1B NI is paid as part of the PSA instead

Some employee expenses are covered by [exemptions](#), which replace dispensations, and will not be need to be included in any end-of-year reports.

There are several ways in which to pay:

Same or next day

- Online or telephone banking
- CHAPS
- By debit or corporate credit card online
- At bank or building society

3 working days or more

- BACS

- Direct debit
- By cheque through the post

Back to [Contents](#)

Christmas events in 2020 – tax and NI exemption

26 October 2020

The CIPP wanted to ask if, due to the current situation relating to coronavirus, the £150 tax and National Insurance (NI) exemption that applies to social functions could be utilised elsewhere as it unfortunately, becomes more and more likely that Christmas parties will not be able to take place this year.

Ordinarily, businesses are able to apply this [exemption](#) where a party or similar social function is hosted, and costs £150 or less per head, takes place on an annual basis, e.g. a Christmas party or summer barbecue, and where it is open to all employees of a business.

HMRC has confirmed that the exception that applies for annual events can only be used in line with current guidance, and not for the purposes of providing vouchers or gifts for employees.

Back to [Contents](#)

Volunteers needed - do you report PAYE Online for P11D, P11D(b) and P46(car)

3 November 2020

HMRC are currently redesigning the Expenses and Benefits service.

The redesign will be in line with Government Design Standards which puts further focus on the accessibility needs of its users as well as hoping to provide a more user-centred experience. Additional information on the redesign will be provided ahead of the launch.

HMRC are looking for organisations that employ anywhere from five to 250 employees to participate in their user research, therefore, if this applies to your organisation, then this is your opportunity to contribute to the design process. To participate, [sign up](#) on gov.uk.

Back to [Contents](#)

HMRC webinars: Self-employed expenses

10 November 2020

HMRC is running a series of webinars that address the topic of expenses for the self-employed. The webinars are designed to outline the type of business expenses that can be claimed, and short videos, along with an online guide have also been made available.

Throughout the duration of the webinars, there is the opportunity to ask questions by using the on-screen text box.

Business expenses for the self-employed

This [webinar](#) discusses what business expenses are, alongside what is allowed and what isn't, and also details how using simplified expenses can save time. It will also assist in the task of entering accurate figures onto tax returns.

Car expenses and the self-employed

For individuals who are using their own car for business, this [webinar](#) covers flat rate motoring expenses, calculating actual costs, leasing a car and personal contract purchases. It is aimed at self-employed sole traders and self-employed partnerships, but not limited companies, or company directors.

There is an [online guide](#) available on the topic of self-employed business expenses, and the following YouTube videos are also available:

- [What expenses can I include in my Self Assessment tax return?](#)
- [Claiming motor expenses if you're self-employed](#)
- [Cash basis and simplified expenses](#)

Back to [Contents](#)

Government News

Budget

Rishi Sunak unveils Winter Economy Plan

25 September 2020

The Chancellor of the Exchequer spoke today in Parliament to confirm what the Government's action plan in relation to jobs is, over what will inevitably be a challenging Winter, due to the imminent threat of a 'second wave' of coronavirus.

Rishi Sunak explained that the Government's plans have changed significantly since March, when the CJRS was announced, and this is to adapt to the changing effect that coronavirus has had on both our lives and the economy. He stated:

"Our approach to the next phase of support must be different to that which came before.

The primary goal of our economic policy remains unchanged - to support people's jobs - but the way we achieve that must evolve."

Job Support Scheme

As widely anticipated, the decision to close the Coronavirus Job Retention Scheme (CJRS) at the end of October 2020 remains unchanged, but, for a period of six months, from 1 November 2020, this will be replaced by the Job Support Scheme (JSS). The intention behind designing the new scheme is to protect viable jobs within organisations who are seeing a drop in demand due to the outbreak of coronavirus.

The main principles of the scheme are as follows:

- In order to support only viable jobs, to be eligible for the scheme, employees must be working at least a third of their usual hours. Employers must pay for those hours worked
- For hours not worked, the government and the employer will each pay one third of the employee's equivalent salary
- The level of the grant from the government will be calculated on the basis of the employee's standard salary, but capped at £697.92 per month
- The Job Support Scheme is available to many organisations in the UK, and there is no requirement for them to have previously used the CJRS to be deemed eligible
- The scheme is aimed at only businesses that need it the most – all small and medium-sized firms will be eligible, but larger companies can only claim if their turnover has fallen by a third
- Businesses can utilise both the JSS and the Jobs Retention Bonus (JRB) as they have been designed to sit alongside one another

Self-Employment Income Support Scheme

The Government has also confirmed that it will continue to support the self-employed by extending the Self-Employment Income Support Scheme (SEISS).

An additional grant will be given to those currently eligible for SEISS, and are continuing to actively trade, but are seeing less demand due to coronavirus. The first lump sum will relate to November 2020 – January 2021, and will be worth 20% of average monthly profits, up to a maximum of £1,875.

A fourth grant will be made available but will be tailored to respond to the ever-changing situation with coronavirus and will cover the period from February 2021 – April 2021.

Additional measures

Several additional measures were announced in order to help the UK return from the economic turbulence created by coronavirus, and include:

- Pay as You Grow flexible repayment system – This will allow those businesses who took out a Bounce Back Loan a longer period in which to repay their loans. The length of the loan will be extended from six years to ten. Interest-only periods and payment holidays will also be offered to help those businesses that may struggle to repay
- Coronavirus Business Interruption Loan lenders are able to extend the length of loans from a maximum of six years, to ten, to help businesses repay their loans
- Temporary VAT cut extended – Businesses in the tourism and hospitality sectors will see the temporary 15% VAT cut extended until the end of March 2021, as they are the sectors most impacted by coronavirus
- New Payment Scheme – Businesses who deferred their VAT bills are being given the option to repay in smaller instalments. As opposed to paying a lump sum at the end of March 2020, they will be able to make 11 smaller interest-free payments in the financial year 2021-22
- Self-assessment taxpayers will be given a separate additional 12-month extension from HMRC on the “Time to Pay” facility. This means that payments deferred from July 2020, and any due in January 2021, will now not be payable until January 2022

The plan can be read in full [here](#).

CIPP comment

Whilst further information has been promised, we have been in touch with HMRC already with a growing list of questions – if you have any more questions or, indeed, any comments on today’s announcements, please contact the Policy team at policy@cipp.org.uk.

Back to [Contents](#)

The government announces the cancellation of the Autumn Budget

25 September 2020

Shortly after it was announced that the Chancellor, Rishi Sunak, would be unveiling his Winter Economy Plan, the news that the Autumn Budget 2020 would be cancelled then followed.

As the furlough scheme is set to end on 31 October 2020, the government is facing mounting pressure to help secure the economy and protect jobs following the coronavirus crisis, and the further restrictions imposed earlier this week. Employers and trade unions are warning that more than one million jobs could be at risk unless new support measures are introduced.

Mr Sunak will be updating MPs on his plan to “continue protecting jobs” as part of his Winter Economy Plan, but why has the Autumn Budget 2020 been cancelled?

The Treasury confirmed, in a statement, "As we heard this week, now is not the right time to outline long-term plans - people want to see us focused on the here and now. So, we are confirming today (23 September) that there will be no Budget this autumn"

The next Budget was due to be delivered by the Chancellor this Autumn, however, a specific date was not confirmed. On 8 July 2020, the Chancellor delivered his Spring Statement which included the measures of Eat Out to Help Out, the Kickstart Scheme and a cut to stamp duty to name but a few. His first Budget, which was originally due to be delivered in November 2019, was also delayed, and not unveiled until 11 March 2020. The delay to that budget was due to the general election that took place, in December 2019. This was a matter of weeks prior to the new tax year and the CIPP wanted to assess the impact that this delay had on the payroll departments of its members, if any.

An impressive 333 responses were collected in relation to the question, 'Has the delayed Budget had an impact on your payroll department?' over the two-week period that the survey ran for. The breakdown of those were as follows:

Yes – significantly: 86 (26%)
Yes – moderately: 141 (42%)
No: 106 (32%)

The majority of responses highlight the fact that the delayed Budget had an impact on payroll departments across the country- 26% of respondents reported that the extent of this was significant, and a staggering 42% confirmed that the delay had an impact, albeit a moderate one. Only 32% of participants reported no effect whatsoever on their payroll department due to the delayed Budget date.

With the cancellation of this Autumn budget, we await in anticipation of how this will affect payroll professionals as they prepare to action any outcomes of the Chancellor's Winter Economy Plan.

Back to [Contents](#)

Winter Economy Statement - webcast

28 September 2020

The policy and research team has produced a short webcast covering the main announcements given in the Winter Economy Statement by the Chancellor, Rishi Sunak.

The webcast covers the initial guidance given on the Job Support Scheme (JSS), the extended support given under the Self-Employed income Support Scheme (SEISS) and the additional measures to help support the economy during this difficult time caused by the COVID-19 pandemic.

Access to the webcast can be found [here](#).

In addition, HMRC has published factsheets on the [JSS](#) and [SEISS](#) schemes. Further guidance will be published by HMRC which we will detail first on News then cascade through our social media channels.

Back to [Contents](#)

EU Exit – Brexit

EU Settlement Scheme Update

29 May 2020

The Home Office has announced that the support services and application routes for those applying for an [EU settlement agreement](#) are back up and running.

At the start of the pandemic, the postal route for submitting documents was suspended and applicants had to use the [EU Exit: ID Document Check app](#). Some applicants were unable to access the app, which delayed their application. In-line with public health guidance, the support offices have now reopened to process postal applications. Support via email and telephone can still be accessed seven days a week via the [EU Settlement Resolution Centre](#).

Unfortunately, the [ID document scanner locations](#) are still suspended following the latest public health guidance to protect staff. However, the Home Office has advised that they together with their delivery partners are keeping the situation under constant review and will endeavour to reinstate ID document scanner locations to their original capacity as soon as possible.

Applicants are reminded that there is still more than a year left before the deadline of 30 June 2021 for applications to the EU Settlement Scheme. The Home Office's latest statistics confirmed that so far there have been more than 3.5 million applications to the scheme with more than 3.2 million applications concluded.

Back to [Contents](#)

HMRC publishes form for businesses impacted by new requirements relating to moving goods between Great Britain and Northern Ireland

15 June 2020

Following on from the government's publication of the [UK's Approach to the Northern Ireland Protocol command paper](#), HMRC is asking for responses from businesses who will be affected by the new requirements for goods being moved between Great Britain and Northern Ireland.

A [form](#) has been published on Gov.UK which will allow companies to provide detail to HMRC of how they will be impacted by the new processes relating to Northern Ireland goods movements. Businesses also have the opportunity to sign up for email updates so that they are informed of any new requirements and future developments. The [form](#) will be available from 11 June 2020 to 29 June 2020. It is hoped that as many businesses will respond as possible.

HMRC is actively encouraging businesses who have no experience of international trade get in touch, however, is asking that all businesses self-identify if they are affected. This will enable HMRC to send guidance and communications to the right people.

Should any questions arise, or if you would like to discuss anything further, please contact hmrctraders@hmrc.gov.uk.

Back to [Contents](#)

Concerns around no-deal Brexit and its potential effect on the Pension Protection Fund

23 June 2020

Pension experts are concerned about the effects that a no-deal Brexit could potentially have on the Pension Protection Fund (PPF). Due to the economic devastation caused by COVID-19, it is thought that many pension schemes could fall into the PPF.

Where a sponsoring employer of the arrangement is EU-based, and does not have an 'establishment' in the UK, issues could arise. The lifeboat protection is currently in place for members of certain UK defined benefit schemes but in order to be eligible, the pension scheme must have its main place of administration in the UK, which will remain unchanged with Brexit. The issue is, that the mechanism for triggering a PPF assessment period where schemes have EU-based employers could potentially be altered from January 2021, following the end of the transition period.

Clive Pugh, from Burges Salmon, commented:

"From my own experience, I would estimate around 20 percent of schemes have an overseas employer or connection. This is a major issue impacting a large number of scheme members."

A PPF expert confirmed that a no-deal Brexit will not affect the level of protection it provides to eligible UK Defined Benefit (DB) pension schemes that have a sponsoring employer registered in the UK, but the mechanism for triggering a PPF assessment period following an EU employer's insolvency could be impacted.

To put things into practice, the case of Flybe can be used. Flybe collapsed into administration in March 2020 due to the effects of coronavirus and the decreased amount of flight bookings. The pension scheme was registered in the Isle of Man which meant that members were not entitled to pension protection from the PPF.

Back to [Contents](#)

EU Settlement Scheme update

15 October 2020

The latest [monthly statistics](#) relating to the EU Settlement Scheme highlight that over four million applications have now been submitted.

The application deadline will arrive in approximately eight months, on 30 June 2021.

The EU Settlement Scheme was designed to offer EU, non-EU EEA and Swiss citizens, and their eligible family members who are living in the UK prior to the end of the transition period, on 31 December 2020, the opportunity to protect their residence within the UK once the transition period has finished. Individuals who are successful in applying to the scheme will be able to continue to live and work in the UK after 30 June 2021 and can be granted either settled or pre-settled status. Which status a person gets will depend on the length of time they have been living in the UK.

Settled status is ordinarily given to individuals who started living in the UK by 31 December 2020 and have lived in the UK for a continuous five-year period. Pre-settled status is usually given to those who do not have five years' worth of continuous residence in the UK, but they also must have started living in the UK by 31 December 2020. Regardless of whether someone has settled or pre-settled status, they will have the right to:

- Work in the UK
- Use the NHS for free (if they can now)
- Enrol in education or continue studying
- Access public funds such as benefits and pensions, where eligible
- Travel in and out of the UK

Individuals granted with pre-settled status can remain in the UK for a further five years from the date they are awarded that status, unless they leave the UK for a period of two consecutive years. Similarly, those with settled status have indefinite leave to remain, unless they leave the UK for a period of five consecutive years.

Applications can be made on [Gov.UK](#), and there is a reminder that applications must also be submitted for children of any age, which may mean that their parents must apply on their behalf. Parents are advised to [link their applications](#).

Back to [Contents](#)

Check Change Go

16 October 2020

The UK is no longer in the EU are you ready for what comes next?

New rules will apply from January 2021 and Government have provided an [online tool](#) in a bid to help you prepare for any changes that will impact you or your business

Guidance on gov.uk advises that you will need to take action now if you are:

- importing goods into the UK
- exporting goods from the UK
- travelling to the EU

- living and working in the EU
- staying in the UK if you're an EU citizen

Get the [complete list](#) of what you need to do for you, your business and your family.

Back to [Contents](#)

Government launches 'Time is running out' Brexit campaign

20 October 2020

The government has published a [press release](#), which urges businesses to prepare for the changes that are coming following the end of the transition period, on 1 January 2021.

The 'Time is running out' campaign is intended to encourage businesses to take action now for changes that are guaranteed to take place at the end of the current year. In addition to the campaign, HMRC is also writing to 200,000 traders who trade with the EU, to confirm what the new customs and tax rules that will be implemented are, and how to deal with them.

Michal Gove, Chancellor of the Duchy of Lancaster, said:

"At the end of this year we are leaving the EU Single Market and Customs Union and this means there are both new challenges and new opportunities for businesses. Make no mistake, there are changes coming in just 75 days and time is running out for businesses to act.

It is on all of us to put in the work now so that we can embrace the new opportunities available to an independent trading nation with control of its own borders, territorial waters and laws."

Business Secretary, Alok Sharma, also commented:

"With just 75 days until the end of the transition period, businesses must act now to ensure they are ready for the UK's new start as an independent trading nation once more. There will be no extension to the transition period, so there is no time to waste.

There will be a guaranteed set of changes for which businesses need to prepare for, so I urge all businesses across the country to check gov.uk/transition to see what action they need to take.

Businesses have a crucial role to play in ensuring a smooth transition, and the Government will be there to support them through this change every step of the way."

The end of the transition period will bring changes for anyone who sells goods to the EU, who travels to the EU for the purposes of work and any parties that employ overseas nationals. It will also impact any UK business or organisations that receive personal data from contacts in the EEA, and anyone who provides services in the EU.

There will be substantial changes to the right to work documentation that can be accepted from EU citizens, so companies need to be aware of this. From 1 January 2021, EU passports will no longer be classed as sufficient proof of right to work for EU citizens, as they will now be required to demonstrate either pre-settled or settled status, or to provide a Euro TLR or visa under the new immigration system. There will, however, be no requirement to carry out retrospective checks on existing employees who are EU citizens. Any EU citizens with pre-settled or settled status, or Euro TLR, beginning a new job following 1 January 2021, will be required to use the online checking service as status is only provided digitally.

Back to [Contents](#)

Trader Support Service – Traders urged to act now

9 November 2020

HMRC is urging traders to act now and prepare for the new requirement to submit declarations from 1 January 2021 for goods moving from Great Britain to Northern Ireland.

The [Trader Support Service \(TSS\)](#) is free-to-use and is available now, aiming to support businesses with the upcoming changes to Northern Ireland trade, which will come into effect following the end of the transition period, from 1 January 2021. Businesses will be required to submit declarations from that point on.

Digital import declarations will be required, in addition to security declarations, for goods that are passing from Great Britain to Northern Ireland. This will guarantee that:

- Tariffs are not paid on trade within the UK
- Northern Ireland can benefit from UK Free Trade Agreements
- Goods that are destined for Ireland (i.e. the EU) pay tariffs when they should

The TSS can be utilised to make these declarations, and is available to all traders, irrespective of size.

Traders moving goods into or out of Northern Ireland will require an EORI number from 1 January 2021. This number will begin with XI, and to [obtain this number](#), businesses must already have an EORI number that begins with GB. Traders that do not have this number are advised to apply for an EORI number beginning with GB as soon as they can.

Traders that sign up to the TSS prior to 23 November 2020 will automatically be allocated with an EORI number starting with XI. Those who do not sign up by this date may be required to make a separate application for an EORI number beginning with XI.

The TSS is available to traders, intermediaries and carriers moving goods to and from Northern Ireland. Upon registering for the TSS, traders will be granted access to free information and training from the Northern Ireland Customs & Trade Academy.

HMRC points out that preparations for the end of the transition period should be carried out as soon as possible.

Back to [Contents](#)

General Government News

The Treasury announces updates to tax policy consultation and calls for evidence as a result of COVID-19

30 April 2020

The Treasury announces updates to tax policy consultations and calls for evidence as a result of COVID-19

A [Written Ministerial Statement](#) has been released by HM Treasury, which gives an update on current tax policy consultations and calls for evidence, and confirms that the closing dates for some have been extended due to coronavirus.

The [HMRC Charter Consultation](#) will now close on 15 August 2020, and the [Call for evidence on raising standards in the tax market](#) will close on 28 August 2020.

The extensions have been implemented because the government recognises that many stakeholders are experiencing significant disruption as a result of COVID-19. The additional time will ensure that more stakeholders have the opportunity to respond and share their views.

Most of the eleven tax policy consultations and calls for evidence announced at Budget 2020 have been extended for a duration of three months. Despite the change to closing dates, the government is continuing to encourage stakeholders to respond as soon as they can, where possible.

The intention to publish a range of other tax policy documents was also announced at Budget 2020 but the government is considering each on a case-by-case basis, in light of COVID-19. The government aims to continue publishing some of these documents through Spring and Summer, and this includes the consultation on proposals for a National Insurance Contributions holiday for employers who employ veterans. The release of other documents will be delayed until the Autumn, and there are still additional documents that the government is yet to provide further detail on. The current position is that the additional detail will be released in due course.

The status of tax policy documents can be monitored via the [public consultations tracker](#).

CIPP comment

As a result of the additional response times, the CIPP is exploring the possibility of creating surveys and holding virtual thinktank roundtable meetings for both the HMRC Charter Consultation and the Call for evidence on raising standards in the tax market.

Further information will be published on News Online in due course, but to register your interest in advance, please contact the Policy team at Policy@cipp.org.uk

Back to [Contents](#)

The Chancellor unleashes the ‘Plan for Jobs 2020’ in the Summer Economic Update

9 July 2020

Today, Chancellor of the Exchequer, Rishi Sunak, delivered the Summer Economic Update, and unleashed his [Plan for Jobs 2020](#). With much focus placed on kickstarting the economy and getting people back into work, a variety of measures were introduced.

Following on from the success of the Coronavirus Job Retention Scheme (CJRS), which will close at the end of October 2020, is the Job Retention Bonus. The Job Retention Bonus will provide a one-off payment of £1,000 to UK employers for every furloughed employee who is continuously employed up until the end of January 2021. In order to qualify, employers must pay employees at, or above, the Lower Earnings Limit (LEL), which is £520 per month for tax year 2020-2021. Payments will be made to employers from February 2021, and further information about the scheme is expected by the end of July 2020. The aim of the bonus is to incentivise employers to bring back, and keep, their furloughed employees. It is expected that the Job Retention Bonus scheme will cost the Treasury approximately £9.4 billion.

Another measure launched in a bid to protect employment, and to generate more jobs, is the Kickstart Scheme. This is a £2 billion fund which will create hundreds of thousands of jobs for individuals aged between 16 and 24 who are on Universal Credit and potentially at risk of long-term unemployment. The jobs will be six-month placements and the government will fund 100% of the National Minimum Wage (NMW) rate for 25 hours per week, in addition to the associated employer National Insurance (NI) contributions and employer minimum automatic enrolment contributions.

In order to encourage employers to hire new apprentices, the government will make a payment of £2,000 to employers in England for any apprentices they hire that are under the age of 25. Any employers who hire apprentices under the age of 25 will receive a £1,500 payment. This applies from 1 August 2020 up until 31 January 2021. These payments are in addition to the £1,000 payment that the government already gives to employers for new 16-18 year-old apprentices, and anyone aged under 25 with an Education, Health and Care Plan. The government will also provide employers who give trainees work experience a £1,000 payment per trainee.

Back to [Contents](#)

Summer Economic Update: round-up

9 July 2020

Along with the flurry of measures highlighted by Rishi Sunak in relation to kickstarting the economy, and protecting and generating new jobs, the '[Plan for Jobs 2020](#)' also revealed the further plans of the government to help the UK recover from the economic turmoil caused by the outbreak of coronavirus.

Some of the additional plans in place include:

- **Reduced rate of VAT for hospitality, accommodation, and attractions** – From 15 July to 12 January 2021, a reduced rate of 5% VAT will be applied to supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafes and similar premises throughout the UK. This substantially lower rate will also be applied to supplies of accommodation and admission to attractions. HMRC will publish further guidance on this subject shortly
- **Eat Out to Help Out** – To support approximately 130,000 businesses and to help protect the jobs of their 1.8 million staff, the government will implement the Eat Out to Help Out scheme. The intention of the scheme is to encourage people to return to eating out, and will give every diner a 50% discount of up to £10 per head on meals at any participating eligible food service establishment. Throughout the duration of August, from Monday to Wednesday, the discount can be applied to any eat-in meal and non-alcoholic drink. Those establishments who are participating will be reimbursed in full for the 50% discount
- **Infrastructure package** – At Budget 2020 in March, the government confirmed its plans to spend £640 billion on capital spending and public investment over a period of five years. Boris Johnson has more recently, in June, announced that the government will accelerate over £5 billion of infrastructure projects to assist the recovery of the economy and start to change UK infrastructure. The infrastructure and the Plan for Jobs mean that the government is accelerating £8.6 billion of capital spending. Many projects will begin earlier than previously planned
- **Public sector and social housing decarbonisation** – The government's aim is to halve greenhouse gas emissions from the public sector by 2032. In order to achieve this and to support economic recovery, the government is investing £1 billion over the next year in a Public Sector Decarbonisation Scheme. The scheme will provide grants to public sector bodies, including both schools and hospitals, which will be used to fund energy efficiency and low carbon heat upgrades
- **Green Homes Grant** - A Green Homes Grant will be introduced by the government, which will provide at least £2 for every £1 homeowners and landlords spend on making their homes more energy efficient. There will be a limit of £5,000 per household. For those on lower incomes, the scheme will fully fund emergency measures of up to £10,000 per household. This could potentially support more than 100,000 green jobs and strengthen a supply chain vital for meeting net zero greenhouse gas emissions by 2050
- **Stamp Duty Land Tax temporary cut** - The Nil Rate Band of Residential Stamp Duty Land Tax (SDLT) will temporarily be increased from £125,000 to £500,000 in England and Northern Ireland. The dates will be from 8 July 2020 up until 31 March 2021, and will cut the tax for everyone who have paid SDLT. It means that nine out of ten individuals getting onto or moving up the property ladder will not pay SDLT at all

CIPP comment

The CIPP welcomes the announcements in relation to how the government intends to restart the economy and to protect and create new jobs. There will be plenty to keep payroll professionals busy, but they have already shown how adaptable and flexible they are in their approach to operating the Coronavirus Job Retention Scheme (CJRS) whilst still performing business as usual tasks.

We await the Autumn Budget, which does not currently have a fixed date, for further discussion of policies that will impact on the way in which payroll is processed, and people are paid.

Back to [Contents](#)

Deadline for claiming for the first Self-Employment Income Support Scheme grant

13 July 2020

Any claims in relation to the first Self-Employment Income Support Scheme (SEISS) grant must be submitted by no later than today (13 July 2020).

In order to claim, the following information is required:

- Government Gateway user ID and password – if a user ID is required, one can be created when eligibility is checked or when a claim is made
- UK bank details – only bank account details that accept BACS payments, including:
 - Bank account number
 - Sort code
 - Name on account
 - Address linked to bank account

Applicants will need to confirm to HMRC how their business has been negatively impacted by coronavirus. HMRC has confirmed that claims for the second grant will open from 17 August 2020 and will close on 19 October 2020.

Back to [Contents](#)

The hospitality industry invited to register for the Eat Out to Help Out scheme

14 July 2020

HMRC has confirmed, in a [press release](#), that restaurants and other establishments who are providing food for customers to eat on-premises are now able to [register](#) for the Eat Out to Help Out Scheme.

The scheme, announced by Chancellor of the Exchequer, Rishi Sunak, on 8 July 2020, means that everyone in the UK can receive a 50% discount on food and non-alcoholic drinks every Monday to Wednesday in August 2020, up to a maximum discount of £10 per head. Alcoholic drinks are exempt from the deal. The offer also applies to children. Customers will not require a voucher as participating businesses will simply remove the discount from their bill. There is no limit to the number of times customers can use the offer during the period of the scheme.

Businesses are able to claim this money back and can expect to receive the funds in their bank accounts within five working days. The discounted amounts can be claimed back by businesses through an online service, which will be operated by HMRC. The claims can be made on a weekly basis.

Businesses will receive stickers to highlight the fact that they are using the scheme. Speaking on the subject, Rishi Sunak said:

“Restaurants and other eligible establishments are now able to support jobs by signing up to a place on the Eat Out to Help Out Scheme.

“HMRC’s quick and easy registration page will soon have you on your way to welcoming back your customers with discounted dining on every Monday to Wednesday throughout August, with a simple process to reclaim these discounts back from the Government each week.”

Chief Executive and First Permanent Secretary of HMRC, Jim Harra, said:

“The hospitality industry is among the sectors worst affected by COVID-19. The Eat Out to Help Out Scheme will deliver support to more than 100,000 businesses, including restaurants, cafes and bars serving food and drink, helping to protect 1.8 million jobs across the UK.

Registering is easy, and we urge businesses to sign up early so they are ready to use the scheme when it starts on 3 August.

Businesses have made great efforts to re-open their sit-down services safely in line with social distancing guidance, so people can feel confident to dine out again.

Businesses can find information about the scheme and how to register online at [GOV.UK](https://www.gov.uk).”

Businesses may register if they:

- Sell food intended for the purpose of consumption on the premises when purchased
- Provide their own dining area, or share a dining area with another establishment for eat-in-meals
- Have registered as a food business with the relevant local authority on or before 7 July 2020

Businesses are not permitted to register if they:

- Are an establishment offering only takeaway food or drink
- Are a catering service for private functions
- Are a hotel that provides room service only
- Are a dining service, e.g. packaged dinner cruise
- Are a mobile food van or trailer

Any applications made on the basis of false or inaccurate information will have their registration revoked. In order to register, businesses will require:

- The Government Gateway ID and password for their business – if they do not have one, they can create one at the point of registration
- The name and address of each establishment to be registered, unless there are more than 25
- The UK bank account number and sort code for the business – only bank accounts where BACS payments can be accepted should be listed
- The address on the bank account for their business

They may also need:

- Their VAT registration number, where applicable
- Their employer PAYE scheme reference number, where applicable
- Their Corporation Tax or Self-Assessment unique taxpayer reference

For companies registering 25 or less establishments, they must provide details for each.

For companies registering more than 25 establishments, there is no requirement to provide details for each one. Instead, they can provide a link to the website containing details of each participating establishment, including the trading name and address. HMRC may also request a list with details of all participating establishments.

Registration is performed online, and there will be a searchable restaurant finder tool made available to the public prior to the scheme's launch on 3 August 2020.

Back to [Contents](#)

Potential greater redundancy protection for pregnant women and new mothers under proposed bill

14 July 2020

The [Pregnancy and Maternity \(Redundancy Protection\) Bill 2019-21](#) was reintroduced to the House of Commons on 8 July 2020, and aims to provide pregnant women and new mothers with additional legal protections against redundancy.

The bill, presented by Conservative MP, Maria Miller, will afford women greater protection from redundancy when pregnant, and also in the six months following their child's birth. It will also provide enhanced protection from redundancy during periods of maternity leave. MPs and campaigners have been highlighting the fact that the outbreak of coronavirus means that there is increased risk of occurrences of maternity discrimination, and that this needs to be addressed.

In a ten-minute rule bill, Miller confirmed that government data revealed that thousands of women are faced with no other option than to leave their jobs due to discriminatory experiences at work, and that one in 20 are actually made redundant. Speaking in parliament, she said:

“Every year, 53,000 women leave their jobs when pregnant because of how they’ve been treated. My bill strengthens existing laws to better protect pregnant women and new mothers by prohibiting employers from making them redundant.”

A previous version of the bill failed to progress through parliament back in 2019, which mirrored the redundancy protections for women in Germany. This is the bill that was reintroduced by Miller, and is scheduled for a second reading on 16 October 2020.

Back to [Contents](#)

Labour Market Enforcement annual report 2018-19 published

14 July 2020

Matthew Taylor, the Interim Director of Labour Market Enforcement, has released his first full annual [report](#) assessing labour market enforcement activity.

The report evaluates labour market enforcement following on from the former Director's 2018-2019 Strategy.

The annual report discusses:

- How far labour market enforcement functions were exercised in the period from April 2018 to October 2019, alongside the 2018/19 strategy recommendations
- An evaluation on the effect on the scale and nature of non-compliance in the labour market
- Activities relating to the Director's Information Hub performed within the reporting period

Taylor also released a [statement](#) in relation to the report, which explains that it details how he has acted upon the recommendations in Sir David Metcalf's strategy. He highlights how there have been welcome changes to regulations, including the abolition of the Swedish derogation, new rules surrounding the access to and content of payslips, along with the requirement for a new day one statement of rights for all workers. Taylor also confirms that he is pleased to see progress in the bodies that he oversees, particularly in terms of working collaboratively. Taylor does, however, note that prosecutions are not being used widely enough as a deterrence tool and that penalties for non-compliance remain too low.

At present, nothing can be discussed without inclusion of the impacts of COVID-19, and Taylor highlights the fact that there needs to be reflection on how the outbreak of coronavirus and its economic fallout could alter debates surrounding enforcement and compliance. Particular focus is given to the extent and speed at which the government implemented measures to support and protect businesses and individuals. Taylor confirms that various work carried out by several different bodies has been impacted by the pandemic, including HMRC work on National Minimum Wage (NMW) enforcement.

On the subject of a Single Enforcement Body (SEB), the speech confirms that Taylor is still awaiting the results of the associated consultation but, as this is a manifesto commitment, he expects the government to proceed with the creation of the body. He believes that a broader, and better funded, SEB would have the following advantages:

- Enhanced intelligence and sophisticated use of data and strategic capacity
- The scope to create a joined up local compliance and enforcement service staffed by field officers
- A clearer route for compliance and support for workers, developing a 'brand' and reputation for the organisation that engenders trust and clarity over its roles, its contact routes, and its enforcement response

- The scale to engage employers and sectors in a joined-up way to develop collaborative and targeted approaches

[Back to Contents](#)

CIPP Webcast: Summer Economic Statement 2020

23 July 2020

The CIPP's Policy and Research team have created a brand new [webcast](#), which provides an overview of the measures announced by Rishi Sunak in his Summer Economic Statement 2020, intended to kickstart the UK's economy after the turbulence and uncertainty caused by the outbreak of coronavirus.

With primary focus placed on the elements that will impact the roles of payroll professionals, the [webcast](#) covers details of the Job Retention Bonus, the Kickstart Scheme and the government's plans for boosting worksearch, skills and apprenticeships. This is in addition to a more general overview of the other measures announced by the Chancellor.

The [webcast](#) also examines the role of payroll throughout the duration of the pandemic, and how payroll professionals have worked tirelessly to ensure that the UK has been paid, both correctly and on time. This could have implications for the future, and raise the profile of the profession, ensuring that payroll secures its place at board level and strategic meetings within businesses.

[Back to Contents](#)

“Fix your bike” scheme launched

29 July 2020

The government is launching a scheme that offers £50 worth of bike repair vouchers to people in England, in the hope that it will encourage people to begin cycling and walking. Initially, 50,000 vouchers will be made available [online](#) on a first-come, first-served basis, from 23:45 on Tuesday 28 July.

It has also been confirmed that bikes will be made available on the NHS, and GPs will be able to prescribe cycling, as part of the government’s strategy to tackle obesity. This is due to the fact that individuals who are classed as being overweight or obese are more likely to become seriously ill, or die, due to coronavirus. If more people begin walking and cycling, A positive impact would also be had on the environment.

In order to help to manage capacity, the “Fix Your Bike” vouchers will be released in batches, which will also allow the government to monitor the scheme prior to its roll out more widely. £50 should be enough to pay the bill for a standard service and the replacement of any basic component of the bike. It can be applied to up to two cycles per household, and is available for use by anyone who has an unused cycle that needs fixing.

There are also plans to create new protected cycle lanes, arrange cycle training for children and adults, and a bid to make the first zero-emission transport city in the UK, in order to get people both walking and cycling.

Back to [Contents](#)

Additional funding provided to low income families in Scotland

30 July 2020

The Scottish government has [confirmed](#) that it has allocated funding of £37.6 million to support individuals and families on low incomes over the past 12 months up to 31 March 2020 – this is an increase of 7% on the previous year.

The fund received 296,870 applications for help, with families most frequently citing the reason behind their application being that their benefits or other income had already been spent – this is an increase of 27% on the previous year. Scottish Welfare Fund payments included £12.9 million in Crisis Grants (an increase of 24%) and £24.7 million on Community Care Grants.

Shirley-Anne Sommerville, Social Security Secretary said:

“This is further evidence that the UK Government’s benefits cuts are hitting the poorest in Scotland the hardest, with more and more people struggling just to make ends meet and being pushed to rely on food banks, or suffer from the stress of debt and rent arrears.

That’s without taking into consideration the significant financial impact that coronavirus (COVID-19) is having on some of those earning the least in our society.

We took early action in March to more than double the Scottish Welfare Fund to £80.5 million this year in response to the expected impact of coronavirus, and we have made an additional £110 million available to support people struggling to access food during the pandemic.

That funding will help local authority partners continue to support people at this time and we would encourage anyone in need of support to apply to the Scottish Welfare Fund.”

Back to [Contents](#)

35 million meals claimed in first two weeks of Eat Out to Help Out scheme

20 August 2020

The Treasury has published a [news story](#) which confirms that companies have claimed for over 35 million meals under the Eat Out to Help Out scheme since it was introduced two weeks ago. 48,000 claims have been made by some of the 85,000 restaurants that are participating in the scheme.

Chancellor, Rishi Sunak, announced the measure as part of his Plan for Jobs, and it is designed to help to protect jobs in the hospitality sector, which has been majorly impacted by the outbreak of coronavirus. The 85,000 businesses that have registered for the scheme include both larger high-street chains, such as Pho and Wahaca, and also smaller businesses in the UK.

The government is urging outlets to ensure that they submit their claims in order to receive the money they are entitled to back.

OpenTable provided data to demonstrate that restaurants have been on average 27% fuller than they were during the same period (Monday to Wednesday) in August of the previous year.

Chancellor of the Exchequer, Rishi Sunak, said:

“Today’s figures show that Britain is eating out to help out – with at least 35 million meals served up in the first two weeks alone, that is equivalent to over half of the UK taking part and supporting local jobs in the hospitality sector.

To build back better we must protect as many jobs as possible, that is why I am urging all registered businesses to make the most of this by claiming back today – it’s free, simple and pays out within 5 working days.”

Approximately 80% of hospitality firms ceased trading in April 2020, and 1.4 million workers were furloughed. The number of individuals placed on furlough within the hospitality sector was higher than in any other sector.

No vouchers are required to receive the 50% discount – participating establishments simply need to deduct 50% from the customer’s bill. The discount is given to anyone visiting a participating restaurant, café or pub on a Monday, Tuesday or Wednesday throughout August, up to a maximum of £10 per person. It applies to all food and non-alcoholic drinks.

The Eat Out to Help Out scheme was announced in the Chancellor’s Summer Economic Statement, along with plans to introduce a £2 billion Kickstart scheme and a cut to VAT for tourism and hospitality of 15%.

[Back to Contents](#)

Social security payments due to increase in tax year 2021-2022

12 October 2020

Despite the economic turbulence created by the outbreak of coronavirus, [legislation](#) is in progress that will ensure that social security payments will increase in tax year 2021-22. The rates are due to be announced in November 2020, in line with the standard timeframes observed each year.

The [Social Security \(Uprating of Benefits\) Bill 186 2019-21](#) was first published on 23 September 2020, with the purpose of allowing the uprating of the basic State Pension, the full rate of the new State Pension, the Standard Minimum Guarantee in Pension Credit, and survivors’ benefits in Industrial Death Benefit, in tax year 2021-22.

The Bill will mean that the Government can meet the requirements of the ‘triple lock’ for pensions, which means that the amount of state pension can be increased by the highest of:

- The increase to wages
- The increase to earnings
- 2.5%.

The Secretary of State will review inflation data for September, and earnings data for the quarter to July, and an announcement in relation to the increases will be made in November.

[Back to Contents](#)

Prime Minister confirms three-tier approach to tackling coronavirus

13 October 2020

Prime Minister, Boris Johnson has confirmed that the Government's new plan of action for containing the spread of coronavirus will involve a three-tier approach, which will see cities categorised into one of three risk categories - medium, high or very high.

Certain businesses will be forced to close, including pubs, bars, betting shops, gyms, leisure centres and casinos, in the areas identified as being on the very high Covid-19 alert level. It is these businesses that will be able to access the extended Job Support Scheme (JSS), under which the Government is offering to pay staff for two-thirds of their usual salary, up to a maximum of £2,100 per month. The only region that is currently on the very high alert level is Liverpool City, and the new lockdown restrictions will need to be observed from Wednesday 14 October.

Areas that are already under additional local restrictions will automatically be placed into the high alert level, which means that any household mixing indoors is banned. The majority of areas in England will, however, be placed on the medium alert level, which means that they must abide by the current restrictions, such as the rule of six and the 10pm curfew for hospitality establishments.

It has been confirmed that all retail outlets, schools and universities can stay open.

Back to [Contents](#)

New bill introduced to Parliament which could provide women with the right to know their male colleagues' salaries

23 October 2020

The [Equal Pay Information and Claims Bill 2020](#) was introduced to the House of Commons by Labour MP, Stella Creasy, on 20 October 2020, and would grant employees the right of knowing what their colleagues are paid. It would also make it mandatory for companies with 100 or more employees to report both their gender and ethnicity pay gaps.

Currently, only businesses with at least 250 employees are legally required to report on their gender pay gap, and there are no rules surrounding ethnicity pay gap reporting at present, although a [consultation](#) on the subject was published, but no response provided as yet.

At present, women do have the right to enquire about a colleague's pay, but employers are under no obligation to provide these details. If women believe that they are not being paid fairly, their only option is to take employers to tribunal to force a disclosure.

Presenting the bill to MPs, Creasy said:

"Pay discrimination becomes so prevalent because it is hard to get pay transparency. Unless a woman knows that a man who is doing equal work to her is being paid more, she cannot know if she is being paid equally.

For nearly 200 years, women have been asking for parity and, with the pandemic bearing down on us, we cannot afford to wait any longer for action."

Experts appear to welcome the proposed changes and believe that they could help to start to fix the gender pay gap.

Back to [Contents](#)

A one-year Spending Review to be implemented for 2021-22

23 October 2020

In order to prioritise the response to coronavirus, and to ensure that the Government's main focus is on supporting jobs, Chancellor Rishi Sunak has [announced](#) that he will be conducting a one-year Spending Review for 2021-22.

Ordinarily, the Government would conduct a three-year Spending Review, but it is felt that this is just not possible at present, although the Government would have ideally liked to discuss plans for the rest of the Parliament. The one-year Spending Review will set out resource and capital budgets, alongside the Devolved Administration's block grants for 2021-22.

The Spending Review will centre on three key areas:

- Providing departments with the certainty required to tackle coronavirus, and to deliver the Government's Plan for Jobs, to support employment
- Providing vital public services with the support they need to continue to fight the virus whilst still delivering first class frontline services
- Investing in infrastructure to deliver on plans made to level up the country, drive economic recovery and Build Back Better

It has been confirmed that the Spending Review will take place in the last weeks of November, and speaking on the topic, Rishi Sunak said:

"In the current environment its essential that we provide certainty. So we'll be doing that for departments and all of the nations of the United Kingdom by setting budgets for next year, with a total focus on tackling Covid and delivering our Plan for Jobs.

Long term investment in our country's future is the right thing to do, especially in areas which are the cornerstone of our society like the NHS, schools and infrastructure. We'll make sure these areas crucial to our economic recovery have their budgets set for further years so they can plan and help us Build Back Better."

Back to [Contents](#)

HM Revenue & Customs

General HMRC News

HMRC's call for evidence: raising standards in the tax advice market

8 April 2020

HMRC has published a [consultation](#) which requests feedback on the ways to raise standards and increase transparency in the tax advice market.

The issues that HMRC is aiming to collect views and evidence on include:

- The scope of the market for tax advice and services
- The characteristics of good and bad practice
- Current government interventions
- International models
- Possible approaches to raising standards

The consultation is due to close at 11:45pm on 28 May 2020, and anyone wishing to respond, can do so via the following methods:

Email: taxadvicecallforevidence@hmrc.gov.uk

Address: Tax advice call for evidence

Agency Policy team
HMRC
9th floor
19 South Colonnade
Canary Wharf
London
E14 4PU

[Back to Contents](#)

Information from HMRC relating to Tax Credits and Child Benefit claims

16 April 2020

From 6 April 2020, there were increases to Benefit and Tax Credit payments. HMRC wants to make people aware of this, and also of the fact that parents of new-borns will still be able to claim Child Benefit despite the outbreak of coronavirus.

[HMRC confirmed](#) that the basic element of Working Tax Credit has been increased to £3,040 from 6 April 2020 until 5 April 2021, as part of a series of measures implemented to support the country during the COVID-19 pandemic.

The amounts that individuals or households receive are dependent on their circumstances including the level of household income, but the increase could equate to an additional £20 per week for some.

Child Benefit was also uprated by 1.7%, along with other tax credits rates and thresholds and Guardian's Allowance, from 6 April 2020.

Affected individuals do not need to take any action as the increased payments will be paid automatically. Payment dates will differ for different people, but everyone should receive the increased payment by 18 May 2020.

Tax credits claims will be automatically renewed by HMRC this year, with the exception of those identified as high risk. Approximately 3.9 million customers will have their claim automatically renewed and will receive an auto renewal pack. They only need to contact HMRC if the details in their pack are incorrect. HMRC requires further information from around 150,000 customers, who will be sent a reply required renewal pack, which will need to be completed in the normal way.

If individuals currently claim tax credits and they claim Universal Credit, their tax credit award will be closed from the day before their Universal Credit claim is made. Once a claim for Universal Credit has been made, it is not possible to return to tax credits.

HMRC also published a [press release](#) that confirmed that new parents could still claim Child Benefit without having to register their child's birth first, to ensure that they do not miss out.

First time parents are required to complete the online [Child Benefit Claim form CH2](#) and send to the Child Benefit Office. Where the birth has not been registered due to coronavirus, the parents should add a note to their claim to advise of this.

For parents already claiming Child Benefit, they can complete the form or have the option of adding their new-born child's details by phone by calling 0300 200 3100, quoting their National Insurance number or Child Benefit number.

[Back to Contents](#)

Deadline for filing Appendix 4 reports extended

17 April 2020

HMRC has confirmed that the deadline for Appendix 4 reports has been extended from the standard date of 31 May 2020 to 31 July 2020.

[Appendix 4 guidance](#)

Back to [Contents](#)

Don't miss the deadline for filing your self-assessment tax return in order to qualify for the Self-employed Income Support Scheme (SEISS)

23 April 2020

Self-employed individuals who are yet to file their self-assessment tax return for tax year 2018-19 need to do so by 23 April 2020 in order to qualify for the Self-employed Income Support Scheme (SEISS).

The government announced the SEISS on 26 March 2020, which will provide grants to self-employed individuals who have lost profits as a result of the outbreak of coronavirus. The deadline for self-assessment tax returns under normal circumstances would have been 31 January 2020 for those submitting online, but it was extended due to COVID-19 in order to provide financial support for a wider pool of people.

Individuals can claim if they are self-employed or a member of a partnership, and they:

- Have submitted their self-assessment tax return for the tax year 2018 to 2019 (by 23 April 2020)
- Traded in the tax year 2019 to 2020
- Are trading when they apply, or would be if it weren't for coronavirus
- Intend to continue to trade in the tax year 2020 to 2021
- Have lost trading profits due to coronavirus

Anybody making a claim through the scheme will need to confirm with HMRC that their business has been negatively impacted by coronavirus. HMRC will apply a risk-based approach to compliance.

Trading profits must not exceed £500,00 and must be more than half of an individual's total income for either tax year 2018-19, or the average of tax years 2016-17, 2017-18 and 2018-19.

Find more information about the Self-employed Income Support Scheme [here](#).

Back to [Contents](#)

HMRC publishes updated 575(T) form

30 April 2020

HMRC has published the updated [575\(T\) form](#) and associated notes for use from April 2020. Individuals should use this form to notify HMRC when they want to transfer unused Married Couple's Allowance or Blind Person's Allowance to their spouse or civil partner.

Individuals can either use the online form service or complete the form on-screen, print it off and post it to HMRC.

To use the online service, individuals will need a Government Gateway user ID and password. If they do not have a user ID, they can create this when using the service.

If individuals use the online form, they will receive a reference number to track the progress of that form. To complete the form, they will need:

- The date of marriage or civil partnership
- Their spouse or civil partner's HMRC reference (this can be located on any letter or form their spouse / civil partner has had from their HMRC office)

- Their spouse or civil partner's National Insurance number (this can be located on their spouse or civil partner's payslip, P60 or tax return)
- Details of their income and deductions for this tax year
- Details of the allowances they want to claim for this tax year

[Back to Contents](#)

Employer-provided living accommodation – removal of concession for “Representative Occupiers”

4 May 2020

In the latest edition of the [Employer Bulletin](#), for April 2020, HMRC confirmed that, from 6 April 2021, changes to extra statutory concessions (ESC) for individuals provided with living accommodation as “representative occupiers” are due to take effect.

Currently, the treatment of individuals provided with living accommodation as “representative occupiers” is identified as an ESC.

“Representative occupiers” can apply to posts which existed prior to 6 April 1977, where an employee:

- Resides in living accommodation provided rent-free by the employer; and
- Is required to reside in this living accommodation and not permitted to reside anywhere else, as stipulated in the contract of employment; and
- Occupies the house for the purpose of the employer, because their employment requires them to reside in that particular accommodation in order to carry out their job duties more effectively

HMRC deals with the collection and management of taxes, and may use concessionary treatment which effectively provides a reduced tax liability where a concession is to deal with minor or transitional anomalies and meeting hardship at the margins.

Following a decision in the Court of Appeal, HMRC committed to review the position of all published ESCs and those not published as ESCs but identified as such. The ESC on “representative occupiers” does not meet conditions laid out for the collection and management of taxes and should either be legislated for or withdrawn.

The government is not going to legislate for this ESC and so it will be withdrawn with effect from 6 April 2021. The timing of the announcement means that both employers and employees who will be affected by this change have sufficient time to make the relevant contractual adjustments. It also means that employers will have time to consult with HMRC on possible entitlement to statutory exemptions for any employees who may be affected by this change. Queries should be submitted to the Employer Helpline, or an employer's HMRC Customer Compliance Manager, where applicable.

The relevant pages in the [Employment Manual](#) have been updated to reflect the withdrawal of the concessionary treatment, and it is advisable for anyone that this may impact to familiarise themselves with the pages.

[Back to Contents](#)

Form P55 for tax year 2020-21

6 May 2020

HMRC has published the new [P55 repayment claim form](#) for use for the tax year 2020-21. The form P55 should be used by individuals to reclaim an overpayment of tax when they have flexibly accessed part of their pension pot. They can claim back from HMRC if they have either flexibly accessed their pension, they have taken only part of their pension and will not be taking regular payments, or if their pension body is unable to make the tax refund.

Claims can be made by either using the online form, completing the form on-screen, printing it off and posting it to HMRC or printing off the form, completing it by hand and posting it to HMRC. In order to claim online, claimants will require a Government Gateway user ID and password, but if they do not have a user ID, one will be created when they claim.

For individuals who have used all of their pension pot, they should use form [P50Z](#) or, alternatively, form [P53Z](#).

The form should be completed with details of any other income that an individual expects to receive during the tax year to ensure that HMRC repay the correct tax figure. Where final figures are not known, the most accurate estimate needs to be provided, in whole numbers, and rounded down to the nearest pound.

HMRC will perform checks at the end of the tax year and contact individuals if the amount is different. Individuals should retain their pay and tax records.

Older individuals with lower incomes can call the independent charity [Tax Help for Older People](#) if they require free tax advice.

Individuals not classed as a UK resident for the purposes of tax do not need to complete the form and can either [check how to make a claim under a double taxation agreement](#) or phone the [Savings helpline](#).

Back to [Contents](#)

Filing deadlines and COVID-19

15 May 2020

Many CIPP members have been querying filing deadlines for items such as P60s and P11Ds during the coronavirus crisis, and whether they will be extended. HMRC has not extended any deadlines but decisions regarding whether penalties will be issued will be made on a case by case basis and HMRC will consider COVID-19 as a reasonable excuse for missing deadlines.

HMRC is still encouraging customers to adhere to these deadlines, and to fulfil their tax obligations where possible. Guidance provided on GOV.UK has, however, been updated to incorporate coronavirus.

In the guidance, [‘Disagree with a tax decision’](#), there is a section which discusses how appeals can be made against penalties if there is a reasonable excuse for submitting or paying a return late, which states:

“HMRC will consider coronavirus as a reasonable excuse for missing some tax obligations (such as payments or filing dates). Explain how you were affected by coronavirus in your appeal. You must still make the return or payment as soon as you can.”

The guidance also discusses timeframes for appealing tax decisions:

“If you or your business have been affected by coronavirus (COVID-19), HMRC will give you an extra three months to appeal any decision dated February 2020 or later. Send your appeal as soon as you can, and explain the delay is because of coronavirus.”

Employers should continue to meet deadlines where practicable and must provide sufficient explanation or evidence as to why items have been submitted or paid late, and after the required dates.

Back to [Contents](#)

Appendix 4 reporting deadline has been extended

27 May 2020

HMRC recently advised that it has extended the reporting deadline for Appendix 4 from 31 May to 31 July. Due to the current COVID-19 pandemic, HMRC recognise that processors may have limited resources and are experiencing complications meeting the original deadline in place. [Guidance](#) has been updated to reflect this temporary extension and details will also be published in the next employer bulletin.

Several employers have contact HMRC regarding difficulties in physically filing their Appendix 4 reports. Considering this, HMRC will be accepting the reports via email. Reports and enquires are to be sent to Contactexpat@hmrc.gov.uk, quoting **App 4 Reports** in the subject field. HMRC are aware of the long waiting times employers are having when attempting to contact the Expat Helpline, therefore are being encouraged to email the team rather than using the telephone service.

What is an Appendix 4?

Employers may apply for a relaxation to the strict PAYE requirements for those employees who are classed as a short-term business visitor. This arrangement provides an agreement that PAYE can be disregarded in certain circumstances.

Employers must only apply for this arrangement whereby the employees are:

- Resident in a country with which the UK has a Double Taxation Agreement under which the Dependent Personal Services / Income from Employment Article (Article 15 or the equivalent) is likely to be competent
- Coming to work in the UK for a UK company or the UK branch of an overseas company, or are
- Legally employed by a UK resident employer, but economically employed by a separate non-resident entity
- Expected to stay in the UK for 183 days or less in any 12-month period

It must be shown that for those employees specifically named, who's presence in the UK is for 60 days or more, that the UK company or branch will not ultimately bear the remuneration specified.

Where there is an agreement reached and in all other aspects the employee falls within the guidelines, then that part of the remuneration not ultimately borne by the UK Company or branch can fall within this arrangement.

Arrangements will not apply where the expense of the remuneration is passed on to another UK Company or branch and not recharged overseas.

If an employee's presence in the UK is for 59 days or less, it is only necessary to show that the employees were paid via a non-resident employer's payroll.

The arrangement must not be applied whereby an individual is employed by a UK resident employer, including an overseas branch of a UK resident employer, except where the individuals are sent abroad to work for a separate non-resident entity and return to perform duties in the UK solely for that non-resident employer. Such individuals are not covered by the 60-day rule.

If an employer has only one or two employees potentially affected, they may like to consider applying for an NT code on an individual basis instead.

Back to [Contents](#)

Update on reporting Appendix 7A and 7B returns

1 June 2020

Further to the announcement in regards to sending Appendix 4 returns via email, HMRC have advised that the same email address (Contactexpat@hmrc.gov.uk) can be also used to file Appendix 7A returns.

If you choose to use the email address to submit Appendix 7A returns, you should enter "App 7A report" as the subject field for the email. Those with Shared workspace access can also file using that route for Appendix 7A returns.

HMRC advise that if you have already submitted your Appendix 7A return via the email address of techsupportteamint.mcooperations@hmrc.gov.uk, then those returns have been accepted and there is no requirement to resubmit using the newly advised email address.

HMRC have set up a new email address for those who are required to submit an Appendix 7B return. This email address (nrappendix7b@hmrc.gov.uk) is to be strictly used to report Appendix 7B returns only and the team who manages this mailbox will not respond by email. HMRC are currently looking into arranging an auto response so that the employer is automatically notified that their return has been accepted.

HMRC remind employers of the risks involved when submitting returns via email and ask that employers consider the points below before making a submission.

About the risks

The main risks associated with using email that concern HMRC are:

- *Confidentiality and privacy – there is a risk that emails sent over the internet may be intercepted*
- *Confirming your identity – it is crucial that we only communicate with established contacts at their correct email addresses*
- *There is no guarantee that an email received over an insecure network, like the internet, has not been altered during transit*
- *Attachments could contain a virus or malicious code*

When sending information, you should consider using encryption in order to protect the information. If you chose to do this, please provide the password in a separate email.

If you do want to use email

Please only use email if you (or your client if you are an authorised agent or representative) accept that you understand and accept the risks of using email

More information

You can find more information on HMRC's privacy policy, visit [privacy-policy](#)

Geographical extent

CIPP comment

The CIPP policy and research team are members of the [Expatriate forum](#) and the next meeting is being held on 11 June and if members have agenda items they would like to bring forward to contact us by email to policy@cipp.org.uk

Back to [Contents](#)

Late filing and payment penalties – HMRC Support

16 June 2020

HMRC is supporting taxpayers during the Coronavirus (COVID-19) pandemic by providing the option to defer [Value Added Tax payments](#) between the period 30 March to 30 June 2020, and the [July 2020 income tax self-assessment payment on account](#). Further details of this scheme, and the specific conditions that apply are available at www.gov.uk.

It is important that the tax system continues to function so that it can fund vital public services, such as the NHS. Customers should continue to pay and file on time, and HMRC is grateful for those individuals and businesses that are able to do this. However, HMRC understands that some individuals and businesses will find it difficult to meet deadlines. For example, they may not have access to their business premises or be able to provide the necessary paperwork.

HMRC will now accept the impacts of COVID-19 as '[reasonable excuse](#)' for people who are late filing their returns or paying their tax, and the relevant penalties will be cancelled, provided the employer has managed to file or pay as soon as they were able to.

Employers normally have 30 days to appeal, or ask HMRC for a review, but HMRC know it may not currently be possible for businesses to do this, which is why people are being given an additional three months to do this if they need to. There is more detail about this on [GOV.UK](#)

If an individual cannot pay their tax because of COVID-19, HMRC may be able to agree 'time to pay' arrangements with them. HMRC will agree these on a case-by-case basis and tailor them to meet people's individual circumstances. HMRC has set up a dedicated helpline for dealing with time to pay arrangements. If help is needed, or individuals want to talk about available options, please phone HMRC on 0800 024 1222.

Back to [Contents](#)

Withdrawal of ordering paper P45s and P60s from HMRC: postponement

16 June 2020

In March 2020, HMRC announced that they were intending to withdraw the facility of ordering blank P45s and P60s online. Due to the COVID-19 pandemic, HMRC has postponed this action until 1 August 2020 to give employers more time to prepare for the change. After this date, employers will be expected to print or issue their own digital P45s and P60s, but if this isn't an option, the extra time given until the online service is removed should be used to implement this.

Those employers who are exempt from operating their payroll online will not be affected, and should continue to contact the [HMRC Order Line](#) to order their stationery by telephone.

Last year, just 3% of employers ordered blank forms from HMRC, and are being contacted by HMRC with details of how to produce their own. HMRC records show that the peak order period for P60s occurs during the months of February and March, so by postponing the stoppage of this facility until August, it will give employers ample time to prepare.

If you are one of the 3% of employers who do use this form, HMRC urges you to:

- Prepare to start using payroll software to print or issue digital P45s and P60s
- Make sure that you have enough stationery for the end of the tax year, and for any employees leaving your employment, while you are preparing to switch
- If you use a payroll provider or bookkeeper, speak to them now to make sure they are ready

Back to [Contents](#)

HMRC consultation: Notification of uncertain tax treatment by large businesses

30 June 2020

HMRC has published a [consultation](#) which aims to collate feedback and opinions on a new proposed notification regime to identify particular areas of uncertain tax treatment. It is hoped that this will improve HMRC's ability to pinpoint issues where larger businesses have taken a different legal interpretation to HMRC's view, which in some scenarios, HMRC may seek to challenge.

The consultation opened on 19 March 2020 and was initially due to close on 27 May 2020, but due to the disruption caused by coronavirus, the end date has been extended to 11.45 pm on 27 August 2020. HMRC is still, however, asking for early responses from stakeholders, where possible.

The consultation is primarily concerned with views on the method and detail of the notification, and also on specific areas of uncertain tax treatment. The notification is due to come into effect from April 2021.

Anybody wishing to respond to the consultation should email:

uncertaintaxtreatmentconsultation@hmrc.gov.uk

Back to [Contents](#)

HMRC reminds customers to update them of any changes to circumstances or income, for the purposes of Tax Credits

2 July 2020

HMRC has [published](#) a reminder to its tax credits customers to ensure that they remember to provide details of any changes to their circumstances, or income by 31 July 2020.

Tax credits are designed to assist working families financially, and so the reminder has been issued to ensure that people don't miss out on the money that they are rightfully entitled to.

Customers can renew tax credits online, and can log onto [Gov.UK](#) to track the progress of the renewal, check that it has been processed and also establish when they will hear back from HMRC.

The majority of tax credit awards will be renewed automatically in 2020, but for those who are self-employed, who receive taxable social security benefit, or those with any other income, they may need to assess their total household income, and advise HMRC if the figures held are not correct.

Customers who must respond to the annual review pack have until 31 July to do this, otherwise their payments will stop.

Angela McDonald, HMRC's Director General for Customer Services, stated:

"During these uncertain times, while the UK comes together to combat COVID-19, tax credits payments are a vital source of support for millions of people and their families.

If you have been contacted by HMRC to provide your income details, I urge you to contact the department before 31 July.

Don't leave it too late, get in touch and make sure the information we hold is correct."

In scenarios where HMRC holds incomplete or incorrect information, customers may be required to pay back any tax credits that they have been overpaid, and potentially even pay a penalty.

It is recommended that customers utilise the HMRC app on their Smartphone, in order to:

- Renew tax credits
- Check their tax credits payments schedule
- Establish how much they have earned for the year

As always, HMRC has warned customers to be vigilant as there could be a number of scams that take advantage of tax credits renewals. These scams can circulate via text, email or phone and often pledge to provide fake support. The scams frequently mimic HMRC messages in order to make them look more realistic.

If anyone receives a text, email or call claiming to be from HMRC stating that a customer can renew a tax credits award or access financial help and asks for credit card or bank details, it is highly likely that this is a scam.

Back to [Contents](#)

Draft New Starter Checklist provided by HMRC

3 July 2020

HMRC has released a draft [New Starter Checklist \(NSCL\)](#) which has been streamlined, and also amended, to reflect the introduction of the new Scottish Student Loan Plan 4, from 6 April 2021.

The form has been developed based on feedback provided from student loan borrowers, who were contacted for their opinions, as the NSCL is completed by new employees who may have a student or postgraduate loan. The relevant teams within HMRC have also been involved in the development of the new form, to ensure that it adheres to Government Digital Service (GDS) standards. Guidance for employers will be published in due course to assist them in the process to follow when they receive a completed NSCL, and to ensure that they deduct the correct Loan or Plan type.

CIPP comment

The Collection of Student Loans Consultation Group would like further feedback on the draft NSCL. The CIPP sits on the consultation group, and would be delighted to cascade the views of payroll professionals in relation to the format of the new form. If you would like to provide any feedback, or have any comments at all, please contact the Policy team, at Policy@cipp.org.uk.

Back to [Contents](#)

HMRC assistance on P11Ds for 2019-20

6 July 2020

HMRC has recorded a [webinar](#) to help support employers through the current uncertain times, which is aimed to assist with payroll duties, with specific focus on the completion of the annual expenses and benefits form P11D.

The webinar discusses which employees require a P11D, along with an overview of the P11D and when it needs to be submitted. There is also information relating to taxable expenses and benefits, National Insurance (NI) contributions and the process behind correcting a P11D.

The deadline for submitting P11D forms online to HMRC, and for notifying HMRC of the total amount of Class 1A National Insurance due on form P11D(b) for tax year 2019-20, is 6 July 2020. Employers must also provide employees with a copy of the information held on the forms by the same date.

Any Class 1A National Insurance owed on expenses or benefits must reach HMRC by 22 July 2020, or 19 July 2020, if payment is being made by cheque.

The deadlines remain unchanged in spite of the outbreak of coronavirus, however, in the guidance [‘Disagree with a tax decision’](#), it states:

“HMRC will consider coronavirus as a reasonable excuse for missing some tax obligations (such as payments or filing dates). Explain how you were affected by coronavirus in your appeal. You must still make the return or payment as soon as you can.”

Back to [Contents](#)

Appointment of Deputy Chief Executive Officer and Second Permanent Secretary of HMRC

8 July 2020

HMRC has confirmed that it has appointed Angela MacDonald as Deputy Chief Executive Officer (CEO) and Second Permanent Secretary of HMRC following on from an external competition.

Angela currently holds the position of Director General for Customer Services Group at HMRC, and has done so since 2017. She has previously held roles at the Department for Work and Pensions (DWP), following on from an earlier career in the private sector.

The Prime Minister and the Cabinet Secretary have approved the appointment, in line with current senior appointment rules, and it is due to begin on 1 August 2020.

HMRC's External Affairs team circulated an email, which stated:

"Angela's tenure in her current role has seen significant improvements and modernisation in our customer services across the board through putting the customer's needs at the heart of our strategy. She brings a proven commitment to creativity and operational excellence with her that will continue to benefit HMRC and our customers as we move forward."

Any questions should be directed to the External Affairs team at external.affairs@hmrc.gov.uk.

Back to [Contents](#)

HMRC refreshes its agent toolkits catalogue

8 July 2020

HMRC has published 19 agent toolkits that are available for tax agents and advisers to download and use, which highlight the most frequent errors made during the completion of certain tasks in previous tax years.

Each guide includes a checklist of the key areas for consideration, alongside links to the relevant HMRC technical guidance and manuals. It is hoped that, by establishing what the most common errors are, this could encourage a conversation between tax agent or adviser and their clients to ensure that submissions are correct.

The toolkits available assist with the completion of:

- [2019 – 2020 Company Tax Returns](#)
- [2019 to 2020 Self Assessment Tax Returns, including Capital Gains Tax toolkits](#)
- [2019 to 2020 National Insurance Contributions and Statutory Payments, employers' end of year forms and 2020 to 2021 record keeping](#)
- [2019 to 2020 Property Rental Income](#)
- [2020 VAT toolkits](#)

Back to [Contents](#)

Updates to how to use HMRC Online Services for reporting PAYE and CIS

8 July 2020

HMRC has updated its [guidance page](#) on how to register and use the PAYE for Agents online service through which to report clients' PAYE for employers, and Construction Industry Scheme (CIS) information.

The 'How to get an agent code' instructions have been updated to confirm that customers must have an agent code to set up agent authorisation. To obtain a code, they must register as an agent for PAYE.

Applications should only be made for an agent code where businesses operate as accountancy service providers, and are registered with a [supervisory authority for anti-money laundering purposes](#), or if they have applied to HMRC for supervision.

Anyone wishing to register as an agent for PAYE can do so [here](#).

The reference will also be required in order to set up CIS client authorisations.

For anyone who does not have a Government Gateway user ID, they will need to [create a Government Gateway user ID and password](#) and add the service to their account.

Anyone who does have a Government Gateway user ID can add PAYE for Agents to their services by:

1. [Signing in](#) using their Government Gateway user ID and password
2. Accessing 'Your HMRC services'
3. Adding 'PAYE for Agents' to their portfolio from the 'Services you can add' section

Back to [Contents](#)

HMRC publishes its 'Measuring Tax Gaps: 2020 edition' report

10 July 2020

HMRC has published its ['Measuring Tax Gaps: 2020 edition' report](#), which discusses the tax gap for 2018-19. The tax gap relates to the amount of tax that should theoretically have been paid to HMRC as opposed to the tax that has actually been paid.

The tax gap for 2018-19 was estimated at 4.7%, which translates to approximately £31 billion, in terms of cash. The report highlights the fact that HMRC collected 95.3% of all the tax due under the law in 2018-19. The tax gap appears to be continually decreasing, as it has fallen from 7.5% in 20015-6 to arrive at 4.7% in 2018-19, which is its lowest percentage rate.

There is some additional information in relation to the wealthy tax gap, which has never been included in any of the previous tax gap reports. This is because HMRC wanted to be more transparent in its approach to wealthy taxpayers, and to enhance its understanding of wealthy non-compliance.

The report demonstrates that the majority of taxpayers wants to get their tax correct and want to pay accordingly, however, there are still many who find the processes relating to this too complex, and avoidable mistakes resulted in lost revenue figures of over £8.5 billion in 2018-19. This emphasises how important HMRC's launch of Making Tax Digital (MTD) was in April 2019.

The aim of MTD is to reduce the tax gap that is caused by avoidable mistakes. 1.4 million businesses have now signed up to MTD, which dictates that businesses with a taxable turnover above the VAT threshold must use digital record keeping tools and submit their VAT return data direct from those records using MTD-compatible software. What this means is that there are less errors, and that companies are able to see, in close to real time, how their finances are looking.

HMRC is the only revenue authority in the world that monitors and subsequently publishes the tax gap information, to cover both direct and indirect taxes every year. The rationale behind providing the information is so that HMRC can be as transparent as possible in its work.

The calculations behind the tax gap are a complicated series of measurements and estimates, and are subject to revision. This is because of the continued availability of more up-to-date data and improvements to analysis. Estimates adhere to the Code of Practice for Official Statistics, which ensures objectivity and integrity.

With the tax gap being the lowest it has ever been, this shows that HMRC's efforts to support the health of the tax system overall have not been in vain, and that it is now much easier for customers to pay the correct tax, and at the correct time.

Back to [Contents](#)

Draft New Starter Checklist provided by HMRC

10 July 2020

As previously reported, HMRC has released a draft [New Starter Checklist \(NSCL\)](#) which has been streamlined, and also amended, to reflect the introduction of the new Scottish Student Loan Plan 4, from 6 April 2021. We need your feedback on this form, so please don't hesitate to get in touch.

The form has been developed based on feedback provided from student loan borrowers, who were contacted for their opinions, as the NSCL is completed by new employees who may have a student or postgraduate loan. The relevant teams within HMRC have also been involved in the development of the new form, to ensure that it adheres to Government Digital Service (GDS) standards. Guidance for employers will be published in due course to assist them in the process to follow when they receive a completed NSCL, and to ensure that they deduct the correct Loan or Plan type.

CIPP comment

The Collection of Student Loans Consultation Group would like further feedback on the draft NSCL. The CIPP sits on the consultation group, and would be delighted to cascade the views of payroll professionals in relation to the format of the new form. If you would like to provide any feedback, or have any comments at all, please contact the Policy team, at Policy@cipp.org.uk.

Back to [Contents](#)

HMRC releases policy paper on changes to the treatment of termination payments

22 July 2020

HMRC has released a [policy paper](#) and [draft legislation](#) which discuss the changes to termination payments that employers make out to employees. The payment relating to the employee's notice period, which is subject to income tax and both employee and employer National Insurance (NI) contributions is referred to as the Post-Employment Notice Pay (PENP).

There is an alternative PENP calculation if an employee's pay period is defined in terms of months, but where their contractual notice period or PENP is not a whole number of months, but expressed in, for example, weeks.

The measure aligns the tax treatment of PENP for individuals who are non-resident in the year of termination of their UK employment with the treatment applied to all UK residents. At present, PENP is not chargeable to UK tax where an employee is non-resident within the tax year in which their employment terminates. Going forward, non-residents will be charged tax and NI contributions on PENP to reflect how this would have been treated had the individual worked in the UK during their notice period. The change only impacts those who physically performed the duties of their employment in the UK.

It is hoped that the legislation will remove unintended outcomes and bring fairness and clarity to the current rules surrounding termination payments, by ensuring that individuals are not treated less favourably in terms of tax on the basis of their contract or residency. The tax treatment of PENP will be aligned for UK and non-UK resident employees, and PENP from UK employment in respect of a notice period that would have been worked in the UK will be chargeable for all individuals regardless of where they reside.

In the Finance (No.2) Act 17, amendments were made to the taxation of termination payments, including:

- The introduction of PENP, ensuring that all contractual, customary and non-contractual payments in lieu of notice were to be considered and subsequently, subject to tax and NI contributions
- Removal of foreign service relief on termination payments to UK resident individuals – this measure does not apply to seafarers
- Confirmation that the exemption for injury does not apply in cases of injured feelings
- Alignment of rules for income tax and NI contributions, meaning that employer's NI contributions are payable on qualifying termination payments exceeding £30,000. This was effective from 6 April 2020

The measure will take effect from 6 April 2021, and be applicable to individuals who have their employment terminated, where the termination payment is received on, or after, 6 April 2021.

Back to [Contents](#)

HMRC confirms important changes to the operation of the Alternative Dispute Resolution process

24 July 2020

HMRC has circulated an email to confirm that it has made two fundamental changes to the operation of the Alternative Dispute Resolution process.

Due to recent amendments to tribunal rules, at any stage of the process up to the date of the tribunal, HMRC can now consider Alternative Dispute Resolution applications.

The way in which mediations are carried out will also be changed, and HMRC will now offer telephone and video conferencing as a result of COVID-19. The method of working in the future will also be impacted by this, as there will inevitably come a point where face-to-face meetings will resume, but they will be just one of several options available to the mediator, and no longer simply routinely offered in every scenario.

The online application form for individuals with cases that they would like to be considered for Alternative Dispute Resolution can be found on [GOV.UK](#).

Back to [Contents](#)

Using Basic PAYE Tools for the EPS

27 July 2020

Since April 2020 it has become an annual process to claim the Employment Allowance. Previously this process would have automatically carried forward.

Employers with an employer NIC liability of less than £100,000 in the preceding tax year can claim employment allowance of up to £4,000 per year.

In recognition of the change, [guidance](#) on Step five of guidance for Basic PAYE Tools has been updated.

Back to [Contents](#)

Tackling promoters of Tax avoidance schemes

27 July 2020

The [consultation](#) will run until 15 September and details the government proposals to strengthen the sanctions against those who promote or enable tax avoidance schemes and makes changes to the following anti-avoidance regimes that includes:

- Disclosure of Tax Avoidance Schemes (DOTAS) and Disclosure of Avoidance Schemes: VAT and other indirect taxes (DASVOIT), under which promoters of schemes have to give HMRC certain information about both their schemes and their clients.

The key proposal here is for changes to DOTAS to require information to be provided at an earlier stage. The proposed changes are an important component of this package of proposals for tackling promoters of tax avoidance.

The concept of being named is also being considered within the paper.

- Promoters of Tax Avoidance Schemes (POTAS), which enables HMRC to monitor the activities of those who repeatedly sell schemes which fail, and to make it hard for them to do so.

The proposals would see the responsibility for the obligations within POTAS, and for any failure to comply with them, placed on the people behind the design of the scheme and would be achieved by widening the existing legislation to include individuals who control, or significantly influence, entities that carry on promotion activities, as well as the people they work through in the UK, and other entities that have been set up in a fragmented way to frustrate HMRC's ability to tackle them.

- Enablers of Tax Avoidance, which allows HMRC to take action against those engaged in design and sale of abusive tax arrangements.

A range of changes are proposed to address many of the issues relating to existing legislation, the aim being to ensure that HMRC can obtain relevant information at an earlier stage. The proposed changes would also enable HMRC to assess penalties at an earlier point when a multi-user scheme was shown not to work.

- The General Anti-Abuse Rule (GAAR), which enables HMRC to take action in relation to both the promotion and use of abusive tax arrangements. This document deals in particular with the application of the GAAR to partnerships.

Changes to the GAAR procedure would ensure that all circumstances are catered for and reduce the risk of promoters looking to take advantage of any ambiguities in the current GAAR legislation.

A separate consultation aimed at tackling [disguised remuneration](#) schemes has also been published as well as a Call for Evidence, currently running on the subject of [raising standards](#) in the tax advice market.

As the tax avoidance market has moved away from bespoke avoidance schemes designed for the wealthy and towards mass-marketed schemes HMRC have an increasingly important role to play in informing taxpayers, in order to reduce the risk that they enter into schemes without necessarily understanding the repercussions.

A key part of tackling this problem is to address it at source and act swiftly and directly against promoters, which is what the measures in this consultation aim to do.

Promoters rarely tell their clients that the product they are offering is an avoidance scheme, and they do not explain the risks of entering the schemes they sell. Instead, promoters may promise implausibly low tax bills and give assurances that their arrangements cannot be successfully challenged by HMRC. However, individual taxpayers are legally responsible for getting their tax right and will eventually need to pay the additional tax they owe, often having already paid out substantial fees to the promoters they used.

To understand the full details of the proposals read the [consultation paper](#) which can be downloaded at gov.uk.

Back to [Contents](#)

Building a trusted, modern tax administration system

28 July 2020

At the March 2020 budget, the Chancellor of the Exchequer highlighted the fact that the government's intention was to create 'a tax system fit for the challenges and opportunities of the 21st century'.

The importance of this has been demonstrated by challenges incurred due to the COVID-19 pandemic. Although HMRC has overcome the challenges of implementing the employment support schemes currently in place, they have also had to deal with constraints imposed by a tax administration system that needs modernisation.

Lessons can be learned from COVID-19 so that in the event of any future human or natural disasters, the government can offer support as efficiently as possible. HMRC is likely to evolve as an organisation as well as discharging their traditional role as a tax authority. Trust needs to be maintained by both the taxpayer and the wider public for this to be a success.

The [document](#) produced by the government, sets out HMRC's vision for the future of tax administration within the UK, which is designed to improve its resilience, effectiveness and, above all, support for taxpayers. It also has details of a long-term strategy of focused, collaborative and transparent improvements to the tax administration system which has the potential to generate huge benefits, both for individual taxpayers and businesses, and for the collective strength and resilience of the UK as a whole.

The [document](#) is broken down into six sections, which cover the following:

- A vision of resilience and effectiveness
- The core of a modern tax system
- The benefits: greater ease of use, productivity and resilience
- The need for reform
- A 10-year strategy -
 - Making Tax Digital
 - Digitisation: the global norm for modern tax administration
 - Making Tax Digital: next steps
 - Timely tax payment
 - Reform of the tax administration framework
- Careful and incremental reform
- Checks and balances

HMRC plans to hold discussions regarding the detailed plans and proposals over the summer. Views are welcomed from everyone with an interest and HMRC will ensure that key stakeholder forums provide the opportunity to debate and shape the way this vision is developed. The government will be working collaboratively and transparently in the period ahead so that proposals can be developed which are effective, imaginative, and ambitious. There will also be dedicated consultation on some elements of these reforms and more detail will be set out at future fiscal events.

Back to [Contents](#)

Updated guidance for those affected by changes to the Loan Charge

31 July 2020

HMRC has published [guidance](#) for any of its customers who may have been affected by recent changes to the Loan Charge.

There is detail surrounding the application process for refunds of voluntary payments, along with information on how those refunds will be calculated. The publication also confirms what the next steps for employers should be.

The guidance is intended for those who used disguised remuneration schemes between 6 April 1999 and 5 April 2016, from which disguised remuneration loans were made, and who settled the tax due with HMRC on or after 16 March 2016 and prior to 11 March 2020. Anyone in this position, who has voluntarily paid some, or all, of the tax and National Insurance (NI) contributions to avoid the loan charge could potentially be entitled to a refund or waiver.

HMRC will write to anyone that is eligible for a refund or waiver inviting them to apply, and will provide an application form, also advising on the application process. Anyone who has not been contacted by 1 October 2020, and believes

that they are entitled to a refund or waiver, should contact HMRC, either by phone on 03000 534 226, or via email at ca.loancharge@hmrc.gov.uk.

The sections included in the guidance are as follows:

- Payments that can be refunded or waived
- The application process
- Who can apply
- After you apply
- Repayment decisions
- If you accept the repayment decision
- If you need help to apply
- Implications for Inheritance tax

Back to [Contents](#)

Four arrested and questioned on suspicion of money laundering

3 August 2020

As part of an ongoing investigation, four people have been arrested in connection with a suspected multi-million-pound phone scam, which targets UK taxpayers.

HMRC has advised that two men and two women have been arrested and questioned on suspicion of money laundering offences. Whilst property searches were made, HMRC seized computer equipment and mobile phones alongside £10,000 in cash.

Within the last year, phone scams have soared by 95 percent, with the UK public reporting over 203,000 accounts of suspected fraud.

The assistant director of fraud, Richard Mayer, said:

“Criminals use a range of techniques in tax-related phone scams, including calling unsuspecting taxpayers to offer a bogus tax refund, or threatening them with arrest if they don’t immediately pay fictitious tax bills.

These scams often target the elderly and vulnerable. We are a well-known brand, which criminals abuse to try and add credibility to their scams.”

With the current pandemic in full swing, this could present further prospects to fraudsters who look to benefit from financial uncertainty. The Personal Finance Society earlier this month appealed to advisers to act as a barrier of defence between fraudsters and unsuspecting victims during the coronavirus pandemic, as news that millions had fallen victim to fraud during this lockdown period broke.

Mr Mayer added:

“If someone calls, emails or texts claiming to be from HMRC, saying that you can claim financial help, are owed a tax refund or owe tax, and asks for personal or bank details, it might be a scam.

If you can’t verify the identity of the caller, we recommend that you do not speak to them.”

HMRC’s dedicated Customer Protection Team in Cyber Security Operations continuously works to identify and shut down scams. HMRC uses a range of government technical controls to prevent its helpline numbers being parodied, so that fraudsters can no longer make it seem that they are calling from HMRC.

The department also works closely with the telecoms industry and Ofcom to block malicious phone numbers.

HMRC’s advice

Forward suspicious emails claiming to be from HMRC to phishing@hmrc.gov.uk and texts to 60599.

Contact your bank immediately if you think you've fallen victim to a scam, and report it to [Action Fraud](#).

Taxpayers can check [GOV.UK](#) for information on how to [recognise genuine HMRC contact](#).

Back to [Contents](#)

HMRC webinars and YouTube guidance on the Eat Out to Help Out scheme

10 August 2020

In addition to the [live webinars](#) and [YouTube video](#) provided on the Eat Out to Help Out scheme, HMRC has published an additional [YouTube video](#) which addresses how to make a claim through the scheme.

The new video explains how to participate in the Eat Out to Help Out scheme, and covers:

- A general overview of the scheme
- How to make a claim
- Record keeping requirements

The online claim service was launched on 7 August 2020, and will close on 30 September 2020.

Businesses can submit their claims [here](#), and can make a maximum of up to five claims until the closing date, at which point no further claim submissions can be made.

Back to [Contents](#)

HMRC publishes 'Residence: The SRT: Annex D: International tax clarifications due to coronavirus (COVID 19)' – Q&A

12 August 2020

HMRC has released a [Q&A Document](#), that discusses the Statutory Residence Test (SRT), which assists individuals in establishing their residence status for a tax year. It looks specifically at some of the changes that have been implemented due to the outbreak of coronavirus.

There are 17 commonly asked questions, accompanied by answers, that explain aspects of the SRT and temporary changes that are in place due to Covid-19. HMRC accepts that the pandemic may affect the ability of individuals to move freely to and from the UK, so SRT legislation allows for a day spent in the UK, in exceptional circumstances beyond an individual's control, to be disregarded. This is highly dependent on the exceptional circumstances.

To support businesses, HMRC has published the guidance [RDRM11005](#), which confirms which circumstances are considered exceptional for the purposes of the SRT. This needs to be read alongside current published guidance relating to exceptional circumstances – [RDRM13200](#). The maximum of 60 days in a tax year that can be disregarded due to exceptional circumstances is still applicable.

Customers will need to retain records and supporting documents for any claim they make to have days spent in the UK disregarded due to exceptional circumstances.

HMRC's more general guidance on the SRT can be located at [RDRM11000](#).

CIPP comment

The CIPP regularly attends expat forum meetings. If you have any comments, questions, or more general feedback on the changes to the Statutory Residence Test due to coronavirus, then please don't hesitate to get in touch with the Policy team – Policy@cipp.org.uk.

Back to [Contents](#)

HMRC webinar: payrolling benefits

12 August 2020

HMRC is running a number of webinars to help employers to get to grips with the payrolling of benefits.

Taxing employee benefits through payroll is promoted as an easier way for workers to clearly see that they're paying the correct amount of tax each pay period and saves employers the time associated with having to deal with P11Ds. The webinars will assist employers by showing them how to register to payroll benefits, and what happens after registration, alongside examples.

The webinar discusses the advantages associated with the payrolling of benefits for both employees and employers. Attendees have the option of raising any questions they may have in the on-screen text box during the webinar.

Almost all benefits in kind can now be payrolled, but businesses must register by 5 April 2021 if they intend to begin payrolling benefits in tax year 2021-22.

Back to [Contents](#)

Additional guidance on the implementation of the loan charge published

14 August 2020

HMRC has [confirmed](#) that it has published additional information on how it will implement the loan charge, applicable to loan balances that arose from the use of disguised remuneration tax avoidance schemes, where the tax due has not already been settled, and in situations where they were outstanding as of 5 April 2019.

Further details on how HMRC will implement the loan charge to support customers have been provided and HMRC has confirmed that there will be no special settlement terms for the loan charge.

Anyone affected by the loan charge is required to file their 2018-19 Self-Assessment tax return by a deadline of 30 September 2020, and will need to include details of any loan balances subject to the loan charge. They will also need to pay the charge due on that date.

[HMRC guidance on how it will implement the loan charge](#) has been updated to incorporate details of changes following the Independent Loan Charge Review. The amendments made to the loan charge following the independent review into the policy and its implementation went before Parliament in July 2020, and later received Royal Assent. This, in addition to the deadline for reporting details of loans subject to the amended loan charge to HMRC being 30 September 2020, meant that affected individuals could opt to spread the loan balance over a period of three tax years, to avoid it being subject to higher rates of tax.

For anyone who is concerned about how they will afford to pay the loan charge, HMRC has published detailed information, both about how they [treat customers with a tax debt](#) and how they [support customers with a tax debt](#). Here, HMRC explains how it works with customers who have a tax debt, explains the support HMRC can provide to customers in helping them pay the tax debt that they owe, and what HMRC can do to get the money that tax customers owe in the event that they refuse to pay it. There is detailed discussion of how HMRC agrees Time to Pay arrangements.

There are some individuals who must act now to sort settlement of tax due on disguised remuneration schemes so that they can avoid having to pay the loan charge. Any customers not settling who become liable to pay the loan charge will

need to pay the amount due on 30 September 2020, or discuss a Time to Pay arrangement with HMRC prior to that point.

HMRC has advised that it can only settle for an amount that is consistent with the law and cannot apply a different rate to that outlined in legislation, as it has a duty to be fair to all taxpayers. This includes those who have already settled their use of disguised remuneration tax avoidance schemes and, indeed, those who have never utilised tax avoidance schemes.

New settlement terms have been published for disguised remuneration loans outside of the scope of the loan charge under amended legislation. HMRC is also in the process of setting out principles to be adopted on any future settlement terms, following the published [Litigation and Settlement Strategy](#).

In Autumn 2020, HMRC will publish settlement terms for any additional liabilities arising from open enquiries into disguised remuneration scheme use, for customers needing to pay the loan charge.

Back to [Contents](#)

HMRC webinar: Self-Employment Income Support Scheme

17 August 2020

As those who wish to make a claim for a second grant through the Self-Employment Income Support Scheme (SEISS) can do so from 17 August 2020, HMRC is running a number of [webinars](#) to help support individuals through the process.

The webinar will assist in the following areas:

- Explaining how to claim the second grant under the SEISS
- Establishing who is eligible
- Establishing the amount that can be claimed
- Detailing what other support is available

This second grant is the final one that can be claimed under SEISS, and the scheme will close on 19 October 2020, so claims need to be submitted prior to that date.

The eligibility criteria remains unchanged from that of the first grant, but self-employed people must be able to demonstrate that their business has been adversely impacted (experienced lower income and / or incurred higher costs) by the outbreak of coronavirus since 14 July 2020. Businesses must keep evidence of how they have been negatively affected.

The second taxable grant is worth 70% of average monthly trading profits, as opposed to 80% under the first grant. In line with the first grant, it will be paid in one single instalment, but capped at a maximum of £6,750.

Any self-employed parents who may have had time off to have children may also be able to claim if they meet other eligibility criteria. More information is available [online](#).

Agents and advisers cannot submit claims on behalf of their clients. The quickest way for clients to claim is online and this takes the majority of people less than five minutes, using their Government Gateway account. When a claim has been successfully completed, money will be paid out within six working days.

Back to [Contents](#)

As children return to school, a timely reminder about Tax-Free Childcare

18 August 2020

As children in Scotland returned to school last week, HMRC is reminding parents that they can apply for Tax-Free Childcare to help with childcare costs.

In order to access this money, families simply need to pay money into their Tax-Free Childcare account, and for every £8 deposited, the government immediately tops up the payment with an additional £2. Working parents, including self-employed individuals, are eligible for the scheme, as long as they earn between the minimum wage and £100,000 per year. They must also have children aged between 0 and 11 years old. For a disabled child, aged 0-17 years old, families can receive up to £4,000 in financial support from the government each year.

HMRC wanted to remind parents due to the fact that they may not be aware of the scheme or may have simply forgotten to claim due to the extended period of time that their children have been out of school. It is estimated that approximately 110,000 families in Scotland are eligible for Tax-Free Childcare.

More information is available at the [Childcare Choices](#) website, where individuals can also apply. It has a [Childcare Calculator](#) which assesses all of the government's childcare offers to see which would work best for each individual family.

Back to [Contents](#)

August electronic payment deadline

19 August 2020

Within the latest edition of the [Employer Bulletin](#), businesses are reminded that the electronic payment deadline for August falls on a weekend date – Saturday 22 August.

In order to avoid being charged interest and / or a late payment penalty, businesses should ensure that cleared funds are in HMRC's account by Friday 21 August, unless they are able to submit a Faster Payment to clear on the payment deadline.

In order to ensure that payment can be made on time, businesses may want to liaise with their bank or building society ahead of making payment to check single transaction, daily value limits and cut off times.

Back to [Contents](#)

Temporary easement for employees who return to work in the UK

20 August 2020

Due to the outbreak of coronavirus, a temporary easement for National Insurance (NI) will be introduced for employees who temporarily return to work in the UK from a country outside of the EU, EEA or Switzerland, where the UK does not have a reciprocal agreement. The associated [guidance page](#) has been updated to reflect this.

The situation will be dependent on the nature of the duties of the employee who returns to the UK temporarily. If the duties are related to overseas employment, for example, briefing or further training for that employment, then the employee should still be treated as if they are abroad. Class 1 contributions should be deducted until the 52-week period of Class 1 liability is reached.

If, however, the duties are not incidental to overseas employment and the 52-week period of liability has ended, then:

- The first six weeks of employment in the UK can be disregarded (this is not a legal requirement but a concession to ease administrative duties when an employee returns to the UK for a short period, and it only applies where they return to the UK for the same employer)
- Contributions should be paid in the normal way for any further period in the UK

In instances where the 52-week period has not ended, it is not extended further by any period of employment in the UK which falls within it.

Class 1 NI contributions will continue to be paid for 52 weeks, beginning with the first contribution week in which the overseas employment begins, when an employee goes to work abroad again once it is safe to do so and any existing liability period has ended.

A further period of liability will only occur if:

- The employer has a place of business in the UK
- The employee is ordinarily a resident in the UK, and
- Immediately prior to the commencement of employment, the employee was a resident in the UK

Any employees who are working in an EU, EEA country or Switzerland as a result of coronavirus, should continue to pay social security contributions or UK NI unless they are advised otherwise.

Anybody who is working within a country that the UK has a reciprocal agreement with, is able to [contact HMRC](#) should they have any concerns, or alternatively they can contact the authorities in the country in which they are working.

Back to [Contents](#)

PAYE RTI penalties – continuation of the risk-based approach to charging penalties

21 August 2020

Following a recent review, HMRC has decided that it will continue the risk-based approach to PAYE late filing and late payment penalties for the tax year 2020.21.

The impact of this is that late filing and late payment penalties will be considered on a risk-assessed basis rather than being issued automatically if files are not submitted on time. From September 2020, [penalties](#) for 2020/21 will start to be issued.

Employers are reminded that support is available during the Coronavirus (COVID-19) pandemic which includes more time to appeal. HMRC now recognise COVID-19 as a reasonable excuse that prevents employers from meeting their tax obligation.

For more information about this, go to <https://www.gov.uk/tax-appeals/reasonable-excuses>

Back to [Contents](#)

HMRC webinar: disguised remuneration

26 August 2020

HMRC is hosting a [webinar](#), which discusses recent updates to the disguised remuneration loan charge, and provides an overview of the guidance that was recently published.

HMRC has also provided an [online form](#) which can be used to report details of outstanding disguised remuneration loans. This must be completed by no later than 30 September 2020. Customers now have the option of spreading their outstanding loan balance evenly across three years – 2018-19, 2019-20 and 2020-21.

The form should be completed in full and should be as accurate as possible. It can be used to:

- Report an outstanding loan balance for the first time
- Resubmit any inaccuracies reported in a previous form
- Make an election spread the Loan Charge balance

To obtain a paper version of the form, requests can be made by calling 03000 599110.

This number can also be used for anyone with any concerns or queries, and emails can be sent to ca.loancharge@hmrc.gov.uk.

Access the webinar [here](#).

Back to [Contents](#)

RTI RIM artefacts updated for tax year 2020-21

26 August 2020

HMRC's Software Developers Support Team (SDST) has provided an update for software developers which employers and payroll practitioners may also find useful.

The SDST circulated an email to explain that the Real Time Information (RTI) Rules and Interface Management (RIM) artefacts have been [updated](#) for tax year 2021-22. There is also a document which shows the changes between 2021-21 and 2021-22.

A further update to include the Data Items Guide (DIG) for 2021-22 will be published in due course.

The RTI techpack can also be accessed on the same [page](#).

The team has advised that they are planning on making updates to the Local Test Service (LTS) on 1 October 2020, and TPVS / ETS on 12 October 2020, to allow software developers to test the changes.

The Data Provisioning Service (DPS) technical pack will also be updated, and the team has advised that they will send a follow up email once this is made available.

Back to [Contents](#)

Updated DPS techpack now available

2 September 2020

HMRC's Software Developers Support Team (SDST) has provided an update for software developers which employers and payroll practitioners may also find useful.

A revised set of Data Provisioning Service (DPS) schemas – version 2.92 has been [published](#) by HMRC. There is also a document that shows the changes that have been made. The amendments have been made in order to support the changes for Scottish Student Loans on the SL1 message.

HMRC is also intending to update the Outgoing XML Generator (OXG) tool and the TPVS test service on 12 October 2020 to allow developers to test the changes.

The DPS technical specifications are relevant to tax code, student loan and generic notifications for software developers.

Back to [Contents](#)

The importance of the Corporate Criminal Offences legislation

7 September 2020

In September 2017, the Corporate Criminal Offences (CCO) was introduced, which is a piece of legislation that can hold a corporate liable if it fails to prevent any associated person from assisting in committing tax fraud. It was introduced by Part three of the Criminal Finances Act 2017, and has been based on its associated legislation, the Bribery Act 2010.

The Customer Stakeholder Engagement Team at HMRC wanted to make all industry sectors aware of the CCO, as, although some sectors may feel that it is more relevant to them than others, based on how tax fraud could relate to the services they offer, the CCO is further reaching than many businesses may realise.

Regardless of the size of a business, or the types of service that they provide, if there is a possibility that somebody linked to that business could facilitate fraudulent activities through their actions, then that business needs to be aware of the CCO. An offence can be committed irrespective of whether the tax evaded was due to be paid in the UK, or in a foreign country.

In order for a CCO to be committed:

- Stage one - there must be a criminal offence at taxpayer level
- Stage two – the evasion must have been criminally facilitated by an associated person of a corporation
- The corporation must have failed in preventing the associated person from committing the stage two offence

An “associated person” of a corporation relates to someone who has a formal contractual relationship. An “associated person” means employees and agents of a corporation, and anyone else providing services for, or on behalf, of the corporation. A corporation cannot sub-contract out of its liability.

Criminal convictions could lead to an unlimited penalty, director disqualification, exclusion from bidding for public contracts, public record of the conviction, and other severe regulatory impacts.

As of 31 July 2020:

- There are ten live HMRC CCO investigations, and an additional 22 opportunities under review across ten different business areas, which include financial services, oils, construction, labour provision and software development
- These opportunities and investigations relate to a variety of HMRC customer groups, ranging in size from small businesses up to the UK’s largest organisations
- HMRC has continued to progress CCO investigations and opportunities, in spite of coronavirus, but only where it has been safe to do so for both HMRC and its customers

HMRC wishes to make it clear that the CCO is not just about investigations and prosecutions, and runs deeper than that, aiming to change industry practices and attitudes towards risk to try to prevent the facilitation of tax fraud from happening in the first instance.

The concept of Reasonable Preventative Procedures (RPPs) was introduced within the CCO, and relates to processes which help a corporate to stop its associated persons from aiding tax fraud, and can be used as a defence against a CCO prosecution. RPPs are not a new concept, and the majority of corporates will already have these processes in place. The idea is that by embedding, regularly reviewing, and adapting RPPs in order to address tax fraud facilitation risks, the corporates will eliminate the chances of their associates facilitating tax fraud, supporting compliance in their industry sector.

HMRC is asking businesses to consider how the CCO may affect them, and how their RPPs look. The approach taken to the CCO and RPPs could potentially help reduce fraudulent behaviour and target tax evasion risks.

Government guidance on the topic is available, [‘Tackling tax evasion: Government guidance for the corporate offences of failure to prevent the criminal facilitation of tax evasion’](#).

Back to [Contents](#)

HMRC is seeking views on its development of an Application Programme Interface (API) in relation to Corporate Interest Restrictions (CIR)

8 September 2020

HMRC is seeking views on its development of an Application Programme Interface (API) in relation to Corporate Interest Restrictions (CIR).

Following on from feedback from users, HMRC is planning to develop an Application Programme Interface (API) to support the service which allows companies to determine whether they need to restrict their group interest deductions and make a return to HMRC. To aid with development, HMRC is seeking views on development of this new API system.

Corporate Interest Restrictions (CIR) became effective from 1 April 2017, and applies to corporate entities. In specific circumstances, it will restrict a group's deductions for interest expense and other financing costs for Corporation Tax purposes, to an amount that is proportionate with taxed UK activities.

The API will run alongside an improved user interface and it is currently being developed with commercial software providers, within a controlled environment. The following functionalities are being tested:

- Submit a full return
- Submit an abbreviated return
- Appoint a reporting company
- Revoke a reporting company

Additional information regarding the new API in development for CIR returns can be found at [GOV.UK](https://www.gov.uk). HMRC has already started engaging with software providers, and would like to raise wider awareness.

Feedback would be welcomed by HMRC, to help with the development of the new API interface and specifications. Please email feedback to SDSTeam@hmrc.gov.uk by 9 October 2020.

HMRC plans to make the API available to users in December 2020 and will confirm this nearer the time via HMRC Agent communication channels. HMRC also plans to introduce mandatory electronic filing of Interest Restriction Returns in due course and we will announce the date for that once it has been decided. The existing service will be available until mandatory electronic filing is introduced.

Back to [Contents](#)

HMRC's Chief Executive discusses the tax gap, EU transition and the Coronavirus Job Retention Scheme

9 September 2020

HMRC's Chief Executive and First Permanent Secretary, Jim Harra, [spoke](#) at the Public Accounts Committee on a variety of topics, focusing on the tax gap, the EU transition and of course, the Coronavirus Job Retention Scheme (CJRS).

He confirmed that the tax gap in the UK is at its lowest ever level and counts itself as one of the smallest in the world. The tax gap is the difference between the amount of tax that should have been paid, and the amount that has actually been paid, and for 2018-19, it has been confirmed that tax revenue was £627.9 billion – 95% of the tax due. There has been an increase of 3.6%, or £22.1 billion, from the amounts collected in tax year 2017-18.

Mr. Harra was asked how HMRC is ensuring compliance with the CJRS, and to give a prediction on the amount of error and fraud. Ordinarily, past evidence would be used as the basis on which to estimate future fraud and error levels, but as the CJRS has only recently been implemented, in rapid response to the outbreak of coronavirus, there is no such evidence available. HMRC has, therefore, utilised evidence of fraud in the tax credit scheme, as this is the best possible grant and benefit scheme for comparison.

The comparison techniques being used are less than ideal as the people that apply for the tax credit scheme are very different to employers who are applying for the CJRS. HMRC has also warned that the nature of the threat to the UK economy is different to anything that has ever been observed in the past.

It is expected that the level of error and fraud could sit anywhere between 5-10%, but this comes with the caveat that the CJRS, again, is unlike anything that the UK has ever seen before. HMRC has already put preventative measures in

place to attempt to combat fraud, through the design of the system, and the fact that HMRC is involved in the process prior to payments being made. Updates will be provided, along with associated figures, at the end of 2020 and then again in Spring 2021. It is HMRC's intention to release a publication detailing the full estimate of error and fraud, in 2022.

More information about these subjects can be heard in the [recording](#).

Back to [Contents](#)

30 September - the Loan Charge deadline approaches

11 September 2020

A message has been issued by the HMRC Counter Avoidance Team.

There's still time to file, pay or discuss a Time to Pay arrangement

With the 30 September 2020 deadline approaching, customers with loans subject to the Loan Charge should be mindful of any actions they need to address well in advance of the 30 September deadline.

- If any individuals have disguised remuneration loans that are subject to the Loan Charge, the deadline to [report the details of their loans](#) is 30 September 2020. These can be reported using the online form on [GOV.UK](#).
- Anyone who wants to elect to spread their disguised remuneration loan balances evenly across the 2018 to 19, 2019 to 20 and 2020 to 21 tax years also needs to do so by 30 September 2020. They can do this using the same online form on [GOV.UK](#).
- By 30 September 2020 customers also need to have filed their 18/19 tax return and either to have paid their 2018 to 2019 liability in full or agreed a [Time To Pay arrangement](#). They should call the Loan Charge helpline on 03000 599110 as soon as possible to make a TTP arrangement.

Missing the deadlines above can result in customers being charged late filing penalties and/or interest for the period 1 February 2020 to 30 September 2020.

On the 13 August 2020 HMRC set out [how its debt management processes work](#), which includes detailed examples of how the department agrees time to pay arrangements.

HMRC will work with anyone worried about their [ability to pay](#) the Loan Charge to help them find solutions and access support.

Back to [Contents](#)

No extension to the Loan Charge deadline

15 September 2020

In a [written response](#) to a question relating to the Loan Charge, Financial Secretary to the Treasury, Jesse Norman has confirmed that the government does not have any intentions of extending the Loan Charge declaration deadline, and it remains as 30 September 2020.

Individuals must confirm, to HMRC, where they had disguised remuneration loans that are subject to the Loan Charge, by 30 September 2020, at the very latest. Those who are subject to the loan charge, who have not yet filed their tax return or agreed a settlement with HMRC are required to submit a Self-Assessment tax return for the tax year 2018-19 with details of their outstanding disguised remuneration loans. The option was provided to either submit the return for 2018-19 by 31 January 2020, providing a best estimate of the tax due, or alternatively, to file by 30 September 2020.

Any penalties for late filing and payment of the tax return for 2018-19 will be waived by HMRC as long as the return is filed by the end of September 2020. There will be no late payment interest applied for the period from 1 February 2020 to 30 September 2020, provided that a return is filed accurately, and any tax paid, or an agreement made with HMRC to do so, by the September deadline date.

The announcement was made by HMRC that the deadline would be extended from 31 January 2020 to 30 September 2020, back in December 2019. Mr. Norman stated:

“This deadline has long been established and the extension has given taxpayers an additional eight months to file their returns and decide whether to make an election to spread their Loan Charge liability over three years. Loan Charge taxpayers are able to file a full and accurate 2018/19 Self Assessment return by the 30 September 2020 deadline.

The Government has no plans to extend the deadline beyond 30 September 2020. HMRC will keep the situation under review and will take a proportionate and reasonable approach to anyone who is unable to file their tax return and pay the tax due or agree a time to pay arrangement by the 30 September 2020 deadline as a direct result of COVID-19.”

Back to [Contents](#)

HMRC webinar: company directors – payroll and you

21 September 2020

HMRC has published additional dates for its webinar, [‘company directors – payroll and you’](#), which will be hosted live.

The webinar is aimed at new company directors but could also prove useful for those more experienced directors who are aiming to refresh their knowledge. The webinar discusses the Income Tax and National Insurance (NI) that directors must pay. In addition to this, it covers the payroll data that needs to be submitted to HMRC. During the live webinar, attendees will have the opportunity to ask any questions that they may have in the on-screen text box.

As well as the webinars to be offered on additional dates, there is also the option to watch a [recorded webinar](#) on the same topic.

A further video is available to assist individuals in getting to grips with understanding their responsibilities as company directors. This one is entitled [‘HMRC and Companies House working together for you’](#). This video is aimed at people who are considering starting, or who have already started, a limited company. The webinar discusses:

- Incorporation – how to register the company
- Directors’ responsibilities to Companies House and to HMRC
- Signposts to further help and guidance

Back to [Contents](#)

Disguised Remuneration Loan Charge deadline arrives

30 September 2020

Individuals who are subject to the loan charge, who have not yet filed their tax return, or agreed a settlement with HMRC, need to ensure that they submit their Self-Assessment tax return for the year 2018-19, by 30 September 2020, to avoid receiving penalties for late filing and payment.

Impacted taxpayers had the choice of either submitting their 2018-19 return by 31 January 2020 providing a rough estimate of the tax due, or to file by 30 September 2020. There is a requirement for them to disclose the full details of their outstanding disguised remuneration loans and to record them in the relevant boxes as taxable income.

Any penalties associated with late filing and payment for the 2018-19 tax return will be waived by HMRC on the proviso that it is filed no later than 30 September 2020. Late payment interest will not be attached to the outstanding tax for the

period between 1 February 2020 and 30 September 2020, as long as a complete and accurate return is filed, with the associated tax paid, or an arrangement made with HMRC to do so by 30 September 2020.

Disguised remuneration schemes are arrangements in which payments are made as loans as opposed to normal income, to avoid the associated tax and National Insurance contributions. The Loan Charge was introduced by HMRC in a bid to tackle the use of schemes of this nature.

Back to [Contents](#)

HMRC webinars – Off-Payroll working and Avoiding Saver Scams

5 October 2020

HMRC has advised that they have scheduled further Talking Points webinars.

In the coming weeks you can book onto webinars on the subject of protecting against saver scams and a reawakening on the subject of Off-payroll working reforms which are to be implemented from April 2021.

There are a limited number of spaces therefore to avoid disappointment secure your place now.

How you can help savers avoid scams - [Monday 12 October 11.15am to 12.15pm](#)

This webinar will provide information on pension scams, how they are operated, who is at risk and how to recognise the warning signs. During the current pandemic, there have been an increase in reports of such scams, therefore the information provided could be invaluable.

Off-payroll working rules from April 2021 - [Choose a date and time](#)

This webinar aims to give an update to changes to the off-payroll working rules from April 2021 for the public sector and medium and large sized organisations. This measure was due to be implemented in April 2020, however, due to the current pandemic, it was postponed until April 2021. Through recent polls posed by the policy and research team, some organisations are still not ready for this to go ahead, even with the 12-month delay. This webinar will provide the essential information required to understand the changes to the rules.

Back to [Contents](#)

Self-employed apply online to HMRC to spread the cost

5 October 2020

Self-Assessment individuals can apply online for additional support to help spread the cost of their tax bill into monthly payments from 1 October 2020 without the need to call HMRC.

The online payment plan service can already be used to set up instalment arrangements for paying tax liabilities of up to £10,000, however, from 1 October 2020, HMRC has increased the threshold to £30,000 for Self-Assessment individuals, in the hope to help ease any potential financial burden they may be experiencing due to the current coronavirus pandemic.

The increased self-serve Time to Pay limit of £30,000 comes following the Chancellor of the Exchequer's announcement on 24 September to increase support for businesses and individuals through the uncertain months ahead.

As part of his speech, the Chancellor announced that Self-Assessment individuals could pay their deferred payment on account bill from July 2020, any outstanding tax owed for 2019 to 2020 and their first payment on account bill for this current tax year in monthly instalments, up to 12 months, via this self-serve tool. Individuals who need longer than 12 months to settle their tax liabilities are invited to contact HMRC in the usual way.

Financial Secretary to the Treasury, Jesse Norman, said:

"We are supporting jobs by giving more breathing space to up to 11 million Self-Assessment taxpayers when managing their tax affairs.

Enhancing Time to Pay should ease the financial burdens and protect the livelihoods of these taxpayers, as they navigate the months ahead."

There are more than 11 million individuals who complete a Self-Assessment tax return each year. Once they have completed their tax return for the 2019 to 2020 tax year, those who have payments to make may have the option of using the online self-serve Time to Pay facility through GOV.UK to set up a direct debit and pay any tax that is owed in monthly instalments, up to a 12-month period.

HMRC have estimated that around 95% of Self-Assessment individuals who are due to make payments on 31 January 2021 could qualify to implement a Time to Pay arrangement using the self-serve Time to Pay facility online, without needing to speak to an HMRC adviser.

Those who wish to set up their own self-serve Time to Pay arrangements must meet the following requirements:

- They need to have no outstanding tax returns, no other tax debt and no other HMRC payment plans in place
- The debt needs to be between £32 and £30,000
- The payment plan will need to be set up no later than 60 days after the due date of the debt

If using self-serve Time to Pay, individuals will be required to pay any interest on the tax owed and it will be applied to any outstanding balance from 1 February 2021.

As ever, please be aware of scams claiming to be from HMRC, offering to help you set up payment plans to pay any tax owed. These scams are trying to gather your details to steal your money. Check GOV.UK for information on [how to recognise genuine HMRC contact](#). Please send any emails that you believe to be a scam to phishing@hmrc.gov.uk

Back to [Contents](#)

HMRC and TPR join forces to deliver webinar on pension scams

9 October 2020

HMRC and The Pensions Regulator (TPR) are working alongside one another, to deliver a [webinar](#) that will provide guidance for employers on the topic of how they can assist employees in avoiding falling victim to pension scams.

Unfortunately, the outbreak of coronavirus has seen the number of pension scams increase substantially, as fraudsters try and use the pandemic as an opportunity to prey on the most vulnerable in these uncertain times. The [webinar](#) will take place on Monday 12 October, between 11:15 and 12:15, and will explore how pension scams work, identify who is most at risk, and will also highlight what the key warning signs are.

[The Financial Conduct Authority \(FCA\)](#) also provides a wealth of information designed to prevent savers from being duped by the range of pension scams that are currently in circulation. The overriding message is that individuals should take their time in making decisions relating to their pension, they should check who they are dealing with, reject any unexpected offers, and if possible, seek some impartial information or advice prior to making any decisions.

Back to [Contents](#)

The CIPP's response to the HMRC consultation: 'Supporting veterans' transition to civilian life through employment'

13 October 2020

HMRC published a [consultation](#), which ran from July 2020 to October 2020, and sought to gain feedback on how a new employer's 12-month National Insurance (NI) contributions holiday for businesses employing veterans could

potentially work. The CIPP's Policy and research team hosted a survey, and held a virtual thinktank roundtable meeting to collate the views of payroll professionals, in order to shape the CIPP's formal [response](#) to HMRC.

The consultation focused on four key areas, which were:

- Definitions
- Eligibility
- Administration
- Record-keeping and evidence requirements

Of utmost concern to CIPP members, who responded to the survey or attended the meeting (or both), was the proposed transitional arrangement for the initial year that the policy will be implemented in, in tax year 2021-22. The current intention is for employers to continue to pay employer NI contributions as normal on the wages of the veterans, to then receive a credit back to their PAYE accounts for the relevant amount after submitting a Full Payment Submission (FPS), from April 2022 onwards. From April 2022, the relief can be claimed in real time, as a payroll solution will be possible by that point.

The reaction to this was that it seemed too complex, and that an existing NI category that provides employer NI relief in much the same way should be utilised, or even a new category set up, so that employers have access to the entitlement in line with the date that the policy is first implemented.

Some other key points raised included:

- Over 80% of survey respondents agreed that a consistent definition of armed forces applied by Government should be used for this policy, with 80% also in agreement that reservists should not be included as veterans for the purposes of an employer NI contributions holiday
- There was unanimous agreement (100%) that amending the PAYE Starter Checklist to accommodate questions around this relief would not deter employers from employing veterans and claiming the relief
- The majority (64%) of those who completed the survey felt that this new entitlement would not incentivise employers to take on more, or their first, veteran(s). From comments, it is apparent that businesses will employ veterans based on their skill set and experience, as opposed to an employer relief

Read the CIPP's consultation response in full [here](#).

Back to [Contents](#)

Changes to HMRC helpline opening hours

13 October 2020

Since the onset of the outbreak of coronavirus, HMRC has reduced its phone helpline operating hours, to 8am-4pm. It was hoped that these opening hours would give HMRC customers the help they needed at times that were most convenient for them.

The majority of helplines will now see their opening hours extended to 8am – 6pm, as a result of HMRC monitoring the times that people were using the services most frequently. The hours that the webchat function is available for will also be changing. The service will no longer be available after 8pm, or on Sundays, so that more advisers can be made available during the times when HMRC customers need them the most.

This applies to the majority of service lines, but not all. Details on which helplines are available and their associated opening hours can be located on [GOV.UK](#).

Back to [Contents](#)

Agent Self Serve developments

15 October 2020

HMRC is looking for agents who currently use Agent Online Self Serve (AOSS), or who have been presented with the advert to use it but have declined, to be involved in the AOSS 'replumb' development project.

They can do so by contacting the CIPP's Policy team at Policy@cipp.org.uk to confirm that they would like to be part of the project. The deadline for responses is 23 October 2020.

Anybody who is interested should ensure that they register their interest as soon as possible, as they will be required to be involved in testing at some point in early November 2020.

Eligible agents will be asked to view all available data on AOSS for a variety of their clients to check that the data that is provided to them is in line with what they would normally expect. Agents will require their PAYE Agent ID.

Back to [Contents](#)

Self-Assessment tax return deadline approaches

27 October 2020

HMRC is [reminding](#) its customers that the Self-Assessment tax return deadline is rapidly approaching. The official deadline for tax returns for 2019-20 is 31 January 2021, but HMRC encourages individuals to complete it early, where possible, in order to swerve the last-minute rush.

Anybody who has already completed their return and has paid, or made payment arrangements, does not need to take any further action. Those who complete their tax return online will be able to see an instant calculation of any tax that is due.

HMRC wants to reassure anybody who has been negatively impacted by the outbreak of coronavirus, and who needs additional help to spread the cost of their tax bill, that they can do so by contacting HMRC, and that there is more information available at [Gov.UK](#) in relation to the service and whether or not individuals are eligible.

Anybody who is intending to complete a paper tax return must ensure that they send their completed paperwork to HMRC by 31 October 2020.

As always, there is a reminder about being vigilant towards scams, particularly as there has been a significant increase in scam emails, calls and texts throughout the duration of the pandemic. Any correspondence purporting to be from HMRC which requests information such as name, credit card or bank details should not be responded to, especially where it is claimed that financial help can be provided, or a tax refund is owed. Any suspicious texts should be forwarded to 60599, and any emails claiming to be from HMRC sent to phishing@hmrc.gov.uk.

Back to [Contents](#)

Check if you need to tell HMRC about additional income

28 October 2020

HMRC has launched new interactive guidance on GOV.UK which allows users to establish if they are required to tell HMRC about any extra income they receive that could be in addition to their main PAYE income.

Within the guidance, users are asked a series of questions about their income and depending on the answers to those questions, will then be directed to the relevant next steps, for example, if they need to complete a Self-Assessment tax return, the user will be directed to the relevant page on GOV.UK.

The guidance is intended for use by those who receive a 'casual' income, whether that be online or in person, and do not know that they may need to declare it, or possibly pay tax on it. It is hoped that it will help them understand what they need to do to be tax compliant and how they can action that.

The new guidance can be found [here](#) and covers people earning non-PAYE income that includes things like:

- Selling things, for example at car boot sales or auctions, or online

- Doing casual jobs such as gardening, food delivery or babysitting
- Charging other people for using your equipment or tools
- Renting out property or part of your home, including for holidays (for example, through an agency or online).

Back to [Contents](#)

HMRC webinars: Coronavirus-related measures and the Statutory Sick Pay Rebate Scheme

29 October 2020

As businesses are aware, the Coronavirus Job Retention Scheme (CJRS) is due to close on 31 October 2020, and any claims must be made on, or prior to, 30 November 2020. The Job Support Scheme (JSS) will then open on 1 November 2020, and associated claims can be submitted from 8 December 2020. In addition to this, eligible employers may be entitled to claim the Job Retention Bonus (JRB). Due to all of the changes, HMRC is running a series of webinars, designed to assist employers with the measures implemented to help them, and their employees, through the outbreak of coronavirus,

[The COVID-19 support for employers](#) is a live webinar, and will provide a roundup of the CJRS, and how to claim. It will also discuss the latest guidance on the JRB, including information on checking if employees are eligible, what can be claimed, and what can be done now to prepare. There will also be an introduction to the JSS, providing detail relating to businesses to ensure that they get the right assistance, at the right time, depending on their situation. The webinars will be updated as and when the latest information becomes available.

Monthly webinars on the topic of the [Coronavirus \(COVID-19\) Statutory Sick Pay Rebate Scheme](#) are also being hosted. These sessions will confirm:

- Who can claim
- When to start paying Statutory Sick Pay (SSP)
- Who can be claimed for
- How to make a claim
- What businesses may be entitled to
- Maintaining records

There will be the opportunity to ask questions within the on-screen text box throughout the duration of the webinars.

Back to [Contents](#)

HMRC Charter published

6 November 2020

HMRC has published its new [Charter](#), alongside the [Your Charter annual report: 2019 to 2020](#).

The Charter details what taxpayers can expect from HMRC, but also lays out what HMRC expects from its customers in return. HMRC continuously strives to improve customer service, and what the Charter does is defines the service and the behaviours that individuals should expect when dealing with HMRC.

There is also information available regarding [HMRC's principles of support for customers who need extra help](#), and [HMRC Charter performance indicators](#).

The [annual report](#) compares HMRC's performance against the Charter and discusses progress and the priorities for future improvements. The most recently published annual report covers the period from April 2019 to March 2020, and:

- Assesses HMRC's performance against the Charter and its individual commitments. This includes independent contributions from both external stakeholders and the Adjudicator for the first time
- Describes the work carried out by the Customer Experience Committee
- Outlines areas of focus for the Customer Experience Committee for the coming year

Back to [Contents](#)

HMRC Employer Bulletins

Employer Bulletin – April 2020

27 April 2020

The latest edition of the Employer Bulletin has been released by HMRC and can be located [here](#).

This particular edition discusses the latest HMRC updates to support employers and payroll agents through the Coronavirus pandemic and includes information on the Coronavirus Job Retention Scheme (CJRS), the Statutory Sick Pay (SSP) Rebate Scheme and the deferral of VAT payments. The Bulletin also looks at the wider effects of COVID-19 on IR35 reforms, workplace pensions and the independent loan charge.

There is information relating to more 'business as usual' items for payroll professionals including updates on claiming the Employment Allowance, changes to the Official Rate of Interest, and reporting Expenses and Benefits in Kind.

Coronavirus SSP Rebate Scheme

On the topic of the Coronavirus SSP Rebate Scheme, there is confirmation that HMRC is continuing its work to establish the systems for reimbursement of SSP for eligible employers. Further details on the scheme, and how it interacts with state aid will be published in due course.

Workplace pensions and COVID-19

The Bulletin also reminds employers of the ongoing requirement to meet their Automatic Enrolment (AE) duties, despite the unprecedented and challenging times we are living in. Employers who claim for a grant under the CJRS will be able to claim pension contributions, up to the level of the statutory minimum AE employer contribution on the wages they are claiming. The scheme does not require employers to amend their pension arrangements and current scheme rules and contribution requirements will still apply.

If employers are worried that they may not be able to make their pension contributions, regardless of whether they have furloughed employees or not, they should discuss this with their provider. Employers may be able to change the due date for payment of employer contributions to a later date or be able to pay contributions over a longer period. There are also government support packages available to help employers if they are having issues with their cashflow.

Official Rate of Interest 2020-21

The Official Rate of Interest used to calculate the income tax charge due on the benefit of employment related loans and the taxable benefit of some employer-provided living accommodation is confirmed as being 2.25% for tax year 2020-21. If an employer provides employment related loans or living accommodation to employees, they will need to note the reduction in the interest rate.

Reporting Expenses and Benefits in Kind for tax year ending 5 April 2020

There is also a reminder about the deadline for reporting any Expenses and Benefits in Kind as it is rapidly approaching, on 6 July 2020. Employers need to report this information for each employee that they have provided with expenses and benefits.

Employers can report using either commercial payroll software, HMRC's PAYE Online service, or HMRC's Online End of Year Expenses and Benefits service. If they cannot use any of these, then they can use the official forms P11D and P11D(b).

If the information is sent late then employees could end up paying the wrong tax, so employers should ensure that they adhere to the deadline.

It is advisable for all payroll professionals to familiarise themselves with the content of the [Bulletin](#) in full.

[Back to Contents](#)

Employer Bulletin - June 2020

18 June 2020

The latest edition of the Employer Bulletin has been released by HMRC and can be located [here](#).

This particular edition provides advice for businesses on how best to support their employees through the period of uncertainty that has been caused by the outbreak of coronavirus. There are articles on the changes to maternity and paternity pay in relation to calculating the Average Weekly Earnings (AWE) for furloughed employees, information surrounding late filing and payment penalties, and also guidance on how certain expenses and benefits provided to employees should be treated.

There is information relating to more 'business as usual' items for payroll professionals including updates on the Employment Allowance, updates to the withdrawal of P45 and P60 stationery, and the [Bulletin](#) also includes the recommendation to report expenses and benefits information through HMRC's online service.

Just a few snippets from the Bulletin are included below, but payroll professionals should read the whole document to ensure that they are as up to date as possible with updates that will inevitably have an impact on the work that they are carrying out.

Coronavirus (COVID-19) – late filing and payment penalties

HMRC has confirmed that it is supporting taxpayers during the Coronavirus (COVID-19) pandemic by providing the option to defer Value Added Tax payments between the period 30 March to 30 June 2020, and the July 2020 income tax self assessment payment on account.

It is important that the tax system continues to work so that it can fund vital services, such as the NHS. This is why customers must continue to pay and file on time, where possible. However, HMRC understands that some individuals and businesses will find it difficult to meet deadlines given the current circumstances. For example, they may not have access to their business premises or be able to provide the necessary paperwork.

HMRC will now accept the impacts of COVID-19 as 'reasonable excuse' for people who are late in filing their returns or paying their tax, and the relevant penalties will be cancelled, provided the customer manages to file, or pay, as soon as they are able to.

Customers normally have 30 days to appeal, or ask HMRC for a review, but HMRC accepts that it may not currently be possible for businesses to do this, which is why they are giving people an additional three months to do this, should they need to.

If an individual cannot pay their tax because of COVID-19, HMRC may be able to agree 'time to pay' arrangements with them. They are agreed on case-by-case basis and tailored to meet people's individual circumstances. HMRC has set up a dedicated helpline for dealing with time to pay arrangements. The helpline can be accessed at 0800 024 1222.

Maternity and other parental pay: changes made to the calculation of Average Weekly Earnings for furloughed employees

If an employee was on furlough and they were paid with help from the Coronavirus Job Retention Scheme (CJRS) during any part of the relevant 8-week period, there are different rules about the calculation of their Average Weekly Earnings (AWE) if they are due to start a period of family-related statutory pay on, or after, 25 April 2020.

This is to ensure that the employee's:

- Eligibility for Statutory Maternity Pay, Statutory Adoption Pay, Statutory Paternity Pay, Statutory Shared Parental Pay, or Statutory Parental Bereavement Pay; and
- Earnings-related rate of Statutory Maternity Pay or Statutory Adoption Pay

are not affected if their earnings are lower than normal, due to being placed on furlough.

These different rules will only apply where the employee's period of family-related statutory pay begins on, or after, 25 April 2020.

If the employee was on furlough for part or all of the relevant 8-week period, the earnings used to calculate AWE for that period will be the higher of:

- What they actually receive from their employer; or
- What they would have received from their employer had they not been on furlough

Where it is not clear what the employee would have received had they not been on furlough, a helpful starting point is likely to be the reference salary which is used to determine how much can be claimed through the CJRS.

However, bonus payments, commission payments, or other payments which would have qualified as earnings, and which the employee was due to receive in the relevant period, should also be considered.

If an employer is claiming for the employee's wage costs (the lower of 80% of their reference salary or £2,500 per month) through the CJRS, but they are topping up their wages to full pay at their own cost, no change will be required as the employee's earnings will not be lower than they would have been, had the employee not been on furlough.

Similarly, no change will be required where, as a result of the coronavirus crisis, the employer and their employee agreed a reduction in their pay during the relevant period outside of the Government's CJRS.

Back to [Contents](#)

Employer Bulletin – August 2020

13 August 2020

The latest edition of the Employer Bulletin has been released by HMRC and can be located [here](#).

The Bulletin contains articles on a variety of topics, some coronavirus-related and some pieces that sit much more in the business as usual space. It is intended to give employers and agents a roundup of the latest information on topics and issues that may impact them.

Coronavirus Job Retention Scheme

There is a reminder in relation to the changes to the Coronavirus Job Retention Scheme (CJRS) that will take place over the course of the next few months, and also discussion of the Job Retention Bonus, and how businesses can prepare their records ahead of claiming the bonus.

The Pensions Regulator (TPR) reminds businesses that their workplace pension duties apply regardless of whether an employee is working or if they are furloughed, and also provides [guidance](#) on the calculation of normal pension contributions for any furloughed workers who are returning to work part-time. There is also discussion of how to proceed where salary sacrifice arrangement for pensions are in place.

As recently confirmed, legislation has been passed, which means that payments relating to the termination of employment (redundancy pay, notice pay and compensation for unfair dismissal) are paid at an employee's normal pay and not at 80% of earnings under the CJRS.

PAYE Online service for reporting P11D, P11D(b) and P46 (car)

HMRC has confirmed that it is in the process of redesigning the PAYE Expenses and Benefits service, so that it is in line with Government Design Standards, meaning there will be more focus on the accessibility needs of users, in addition to providing a more user-centred experience. It is expected that it will be released the last quarter of 2020, and ahead of that, HMRC needs businesses that employ between 5 and 250 staff to take part in User Research. Any interested parties should contact brian.coult@digital.hmrc.gov.uk.

30 September 2020 – Deadline for reporting the disguised remuneration Loan Charge

The deadline for individuals to report the details of their loans, where they have outstanding disguised remuneration loans, subject to the Loan Charge, is 30 September 2020, which is fast approaching. There is an [online form](#) for affected individuals to complete on Gov.UK, and they should also declare the loan on their 2018-19 tax return. Anyone intending to spread their outstanding disguised remuneration loan balance evenly across tax years 2018-2019, 2019-2020 and 2020-2021 will also need to do so by the same deadline date, and using the same online form.

The [April 2020 Bulletin](#) explained what any employers must do in the event that they haven't yet reported and accounted for the Loan Charge, or if there is a requirement to amend information previously submitted. This edition also advised employers of the changes made to the Loan Charge rules.

Certain voluntary payments made in disguised remuneration settlements can now be refunded, as a result of recommendations made in the Independent Loan Charge Review. This is on payments made on or after 16 March 2016 for loans made in unprotected years.

Anyone affected by the Loan Charge, and concerned that they may have difficulties in paying HMRC anything that is owed, should contact them in order to agree an affordable payment plan. Contact can be made either by phoning 03000 599110 or by emailing ca.loancharge@hmrc.gov.uk.

Access the Bulletin [here](#), to read many more articles that are of interest to payroll professionals.

Back to [Contents](#)

Employer Bulletin - Edition 86

16 October 2020

HMRC have published the October edition of the Employer Bulletin.

This edition includes an update on a range of topics aimed at providing employers and their advisors with timely information that is current and also highlights subject on the horizon.

Home working expenses continues to be a topical subject and the Bulletin spotlights the link to the [online claim tool](#). The tool will enable the employee to claim the £6 per week tax relief in the event their employer has chosen not to reimburse them for additional costs incurred due to having to work from home.

Further tax reliefs that are available due to incurring work related expenses can also be claimed using the online tool.

Off-payroll working reforms will continue from April 2021 and HMRC have taken the opportunity in this edition to provide details of their package of support measures that were launched from the start of October and that are due to run throughout until April 2021.

If you engage the personal services of contractors who work through an intermediary and are a non-public sector medium or large engager these reforms will impact you. Start to prepare now

For full details of all topics covered please download the [Employer Bulletin](#) from gov.uk.

Back to [Contents](#)

Making Tax Digital

The end of the Earlier Year Update

25 June 2020

HMRC's Software Developer Support Team (SDST) has circulated an email which confirms that, from April 2021, the Earlier Year Update (EYU) will no longer be a valid submission for making adjustments to the tax year ending 5 April 2021.

Going forward, amendments to the tax year will need to be made using a Full Payment Submission (FPS) as the EYU will not be valid.

In summary:

- Amendments to tax years ending on, or before, 5 April 2018 should be made using the submission of an EYU only
- Amendments to the tax year ending 5 April 2019 from 20 April 2019 can be made using either an EYU or an FPS
- Amendments to the tax year ending 5 April 2020 from 20 April 2020 can be made using either an EYU or an FPS
- Amendments to the tax year ending 5 April 2021, and onwards, from 20 April 2021 should be made using the submission of an FPS only

The use of the FPS is being extended to allow employers and pension providers to report revised Year to Date (YTD) payment data after 19 April. HMRC piloted this extension prior to implementing it, and this has highlighted how the new process will bring greater simplicity by removing unnecessary complexity, and allowing HMRC systems to align with payroll records more quickly.

The Employer Payment Summary (EPS) remains unaffected by this change.

HMRC has confirmed that it is not expecting to make any changes to the format of the FPS where it is used after the 19 April following year end, but the FPS will provide an update to the last period reported, with a matching or later payment date for the individual to indicate a change in the year to date figures.

Back to [Contents](#)

National Insurance

National insurance contribution settlement return form deadline extended

9 April 2020

In response to the outbreak of coronavirus, the deadline for the submission of the [National Insurance contributions settlement return form](#) for tax year 2019-20 has been extended from 31 March 2020 to 31 May 2020.

HMRC confirmed the extension but also requested that forms be sent as soon as possible so that returns can be processed quickly.

The settlement return form should be completed and submitted where an agreement has been made to operate Class 1 National Insurance contributions under [Employment Procedures appendix 6](#).

One application can be used for multiple employees.

The form should be sent to: Charities, Savings and International 3, HM Revenue and Customs, BX9 1AJ, United Kingdom

If you require the form in Welsh, [you should email HMRC](#).

If you require further assistance from HMRC, you can email the WMBC Charities Large Partnerships and International Unit at steven.wood@hmrc.gov.uk or william.spencer@hmrc.gov.uk

Back to [Contents](#)

Guidance on payroll information to report to HMRC updated to include changes to the Employment Allowance for tax year 2020-21

15 April 2020

The [Gov.UK page](#) that advises what payroll information needs to be reported to HMRC via the Full Payment Submission (FPS) and Employer Payment Summary (EPS) has been updated to reflect the changes to the Employment Allowance that came into effect from 6 April 2020.

Amendments have been made to the Employment Allowance from tax year 2020-21 which mean that employers will now be able to claim up to £4,000 a year off their National Insurance (NI) contributions, as opposed to the previous maximum of £3,000.

The number of employers eligible to claim will be impacted as, from 6 April 2020, businesses and charities may only claim if their employers' Class 1 NI liabilities were below £100,000 in the previous tax year.

Due to the new restrictions, Employment Allowance now counts towards the total amount of de minimis state aid that businesses are entitled to receive over a three-year period. Employers must ensure that by receiving the Employment Allowance they do not exceed the de minimis state aid threshold for their sector.

The [guidance](#) confirms that another change to the Employment Allowance relates to how it is claimed via payroll software. Originally, where employers were entitled to the Employment Allowance, their claim would automatically renew each tax year, but from 6 April 2020, employers will need to make a new claim each tax year. This requirement is reiterated in the [Guidance on RTI Data Items from April 2020](#).

Employers must now check that they meet the eligibility requirements on an annual basis and select 'Yes' to claim the allowance against the Employment Allowance indicator within the EPS each year. 'No' only needs to be selected where employers are ineligible to claim. In situations where the full allowance entitlement of £4,000 has been reached, there is no requirement to select 'No'.

Back to [Contents](#)

Correct reporting on Employment Allowance claims

29 April 2020

HMRC's Software Developer Support Team (SDST) has circulated a message that highlights that a number of businesses are incorrectly selecting 'State aid rules do not apply to employer' on their Employer Payment Summary (EPS), when claiming the Employment Allowance.

The rules surrounding eligibility for the Employment Allowance changed for tax year 2020-21, and now only employers with employers' Class 1 National Insurance liabilities of less than £100,000 in the preceding tax year can claim it. Due to this change, the Employment Allowance has been reclassified as de minimis State aid, and employers must ensure that, by receiving the Employment Allowance, they don't exceed the relevant ceiling for their sector. De minimis State aid rules only apply where a business engages in economic activity.

The latest edition of the [Employer Bulletin](#) explains when a business sector should be chosen, and in which scenarios 'State aid rules do not apply to employer' should be selected. If an EPS has already been submitted which displays incorrect details, this can be rectified by sending another EPS.

When claiming the Employment Allowance, employers must provide their business sector on their EPS if the company engages in economic activity. The business sectors are Agriculture, Aquaculture & Fisheries, Road Freight Transport and Industrial / Other for everything else. Industrial / Other should be selected where the business undertakes economic activity but not within Agriculture, Aquaculture & Fisheries or Road Freight Transport. Examples given in the [Bulletin](#) are that of hair salons and restaurants. De minimis State aid rules will apply where a business is engaged in economic activity, so any business that provides goods or services to the market.

The 'State aid rules do not apply' should only be selected where a business does not engage in any economic activity. These businesses will potentially still be eligible for Employment Allowance, but it would not be classed as de minimis State aid.

The [Guidance on RTI Items from April 2020](#) states that the 'State aid rules do not apply to employer' field should only be selected by employers who do not undertake any economic activity, for example, if they are a charity, a community amateur sports club or are employing someone to provide personal care. If a business is not undertaking any economic activity, then De minimis State aid rules are not applicable.

Back to [Contents](#)

Government consultation: a NICs holiday for employers hiring former members of the UK regular armed forces

22 July 2020

HMRC has published a [consultation](#), with the aim of collating views and opinions from businesses that employ veterans, software providers and accountants on the topic of potentially granting employers a National Insurance Contributions (NICs) holiday where they employ individuals who were previously members of the regular armed forces.

Originally announced back in March 2020, at Budget, the measure would mean that employers would not pay any NICs liability on the salaries of veterans up to the Upper Secondary Threshold for the duration of their first year of civilian employment. This relief would be available to employers from April 2021, with transitional arrangements in place, until April 2022, at which point businesses will have the ability to claim the relief in real time through PAYE.

The consultation asks questions on a variety of issues and about how the government should approach the design and implementation of the policy. The government has placed particular emphasis on how it should seek to define 'veterans', employment periods that should qualify and how the measure should be administered.

CIPP comment

The CIPP's Policy and Research team will be responding to this consultation, and will be incorporating the views of payroll professionals on the subject. Please keep your eyes peeled for a survey which will be published in due course, which will query aspects of a potential NICs holiday for employers who hire former members of the UK regular armed forces.

Back to [Contents](#)

National Insurance guidance for software developers (2020 to 2021)

5 August 2020

HMRC has published [National Insurance \(NI\) guidance](#) for software developers for tax year 2020-21. The guidance is made available each tax year, and its purpose is to provide NI calculation methods for payroll software developers. The contents include:

- Introduction
- NICs information for tax year commencing 6 April 2020
- Completing the payroll record (2020-21)
- Class 1A NICs on Termination Awards and Sporting Testimonial payments
- Description of the differences between calculating NICs
- Using the tables and the exact percentage method
- Rules for rounding

- NICs calculation formulae – exact percentage method
- Directors NICs calculation formulae
- NICs calculation formulae – tables method

Back to [Contents](#)

CIPP Survey: Employer's National Insurance Contributions holiday for businesses employing veterans

7 September 2020

One of the pledges in the Conservative manifesto 2019 related to “*reducing National Insurance contributions for employers if they employ ex-Service personnel.*” It has since been confirmed that, from 6 April 2021, any businesses employing veterans will not pay employer National Insurance (NI) contributions on their wages for the first 12 months of their civilian employment.

HMRC has published a [consultation](#), which aims to seek clarity on how the government should define the ‘veterans’ that would be eligible for this relief, if there are any employment periods that should qualify and fundamentally, how the new policy should be administered effectively.

The CIPP’s Policy and research team will be submitting a formal written response to the consultation and wants to include the opinions of our members. We have, therefore, constructed a [survey](#), which asks for your feedback by asking a variety of questions that delve in to the finer details of how the new policy should be operated.

The [survey](#) will take approximately 15 minutes to complete, and will remain open for responses until 11:45 PM on 30 September 2020. We understand that payroll professionals are exceptionally busy at the moment, but would really appreciate any time that you can dedicate to answering the [survey](#). This is your opportunity to feed in to a government policy that will shape the work that payroll professionals carry out.

Back to [Contents](#)

NINO prefix reminder

8 September 2020

CIPP members have contacted our Advisory team querying NINO prefixes that they have been sent via RTI notices. When the members are entering the new NINO prefix (example, HN), their software is advising that the prefix is invalid and rejecting the amendment.

The policy team has queried this directly with HMRC who have fed back the following advice:

“HN is a valid prefix as per the rules at: <https://www.gov.uk/hmrc-internal-manuals/national-insurance-manual/nim39110>

- *The characters D, F, I, Q, U, and V are not used as either the first or second letter of a NINO prefix.*
- *The letter O is not used as the second letter of a prefix.*
- *Prefixes BG, GB, KN, NK, NT, TN and ZZ are not to be used”*

Members are advised that if their software is rejecting a NINO that complies with the above guidance, they will need to contact their software provider for a solution.

Back to [Contents](#)

Reminder: CIPP Survey: Employer's National Insurance Contributions holiday for businesses employing veterans

14 September 2020

HMRC is currently running a [consultation](#), which aims to seek clarity on a number of details relating to the new employer National Insurance (NI) contributions holiday for employers of veterans, to support their transition to civilian life.

Originally put forward as one of the pledges in the 2019 Conservative manifesto, the government committed to “reducing National Insurance contributions for employers if they employ ex-Service personnel”, and it has now been confirmed that, from 6 April 2021, organisations who employ veterans will not be required to pay employer NI contributions on their wages for the initial 12 months of their civilian employment.

The CIPP's policy and research team have collated a [survey](#), and will be submitting a formal response to the consultation, which will include the opinions of members expressed within the [survey](#). The questions include a mix of questions that explore the more specific details of how the new policy should be implemented and administered.

The [survey](#) will take around 15 minutes to complete, and you have the opportunity to respond until 11:45 PM on 30 September 2020. Payroll professionals are consistently busy individuals, and particularly so at the moment, given current circumstances. We do really appreciate any time that you can dedicate to responding to the survey, and this is your opportunity to help to shape future policy that will impact the work carried out by payroll teams.

Back to [Contents](#)

National Insurance Contribution questions

17 September 2020

The CIPP sits on HMRC's Expat Forum, to ensure that the Policy and Research team can keep payroll professionals informed about any changes to global payroll, and similarly so that we can provide feedback to HMRC on the same topic.

The Expat Forum is currently working to resolve outstanding National Insurance (NI) Contributions issues, and there are currently two key points relating to:

- S62 payments and Internationally Mobile Employees – ‘apportionment’, or an ‘all or nothing’ approach
- The overarching practical operation of NI contributions on S62 payments and Employment-Related Securities (ERS) chargeable events – to look at double charges and the interaction with overseas jurisdictions.

HMRC is asking for feedback, by no later than close of play on Friday 18 September 2020, on a couple of questions that relate to the key points.

If members have any feedback, which the Policy team would be really grateful for, then they should send it, via email, to Policy@cipp.org.uk.

The feedback requested relates to evidence and / or examples of how S62 payments and ERS are being handled in practice. Specifically, information is required in relation to the below, as feedback has suggested that HMRC has taken an inconsistent approach to these cases.

- The number of employers utilising an ‘all or nothing’ approach against those who are operating an ‘apportionment’ method for S62 payments, and the number of employees who are impacted by this
- Any interactions with HMRC in respect of these approaches, giving examples of inconsistency, where applicable
- The number of employers who are affected by the issue of double charges on both types of payment, and the extent of this

HMRC would also like feedback on the issue of the extent of the changes required to implement the ‘apportionment’ approach for S62 payments. Expat forum members highlighted their concerns relating to the changes required to systems and processes to implement this approach, so HMRC is asking for the following details:

- The number of employers who will require changes to be made to both their systems and processes, and the extent of those changes
- The required lead-times for implementation of the changes to systems and processes

As always, the team would like to thank you in advance for any feedback you may provide.

Back to [Contents](#)

Due to COVID-19, the DWP is only able to offer a National Insurance Number (NINo) service to a limited number of applicants

17 September 2020

The CIPP's Advisory team has been receiving reports from members that new NI numbers aren't being issued at present, and instead only temporary numbers are being provided.

The Policy and research team contacted HMRC to enquire about this, and the following was confirmed:

In order to allocate a NINo for employment purposes, the Department for Work and Pensions (DWP) has a legal requirement to confirm that the applicant has the right to work in the UK, and their identity.

At present it is only possible to accept applications from those who were granted permission to work in the UK by the Home Office prior to them coming to the UK. This is possible because the DWP is able to validate these applications with the Home Office.

For all other applicants (UK/EU/EEA/ citizens) who have not interacted with the Home Office, their identity and right to work is, under normal circumstances, confirmed, by DWP, at a face to face interview. Unfortunately, due to the Covid-19 pandemic, it has been necessary to temporarily suspend this face to face service.

It is not possible, due to the requirement to examine customers' ID documents, to offer a virtual service. However, to support the reinstatement of our NINo service, the DWP is developing a digital solution that should enable it to reintroduce the process incrementally during the autumn.

Although HMRC usually wants employees to provide employers with their NINo as soon as possible, to make sure their National Insurance (NI) records are correct, someone can be employed before they get their NINo, provided that it can be confirmed that they are legally entitled to work in the UK. All Real Time Information (RTI) submissions should include as many other personal details as possible.

For people who have a NINo, but cannot remember it, they can get confirmation of it by using their Personal Tax Account, where they can save or print a copy of a NINo confirmation letter or HMRC App where they can share their "my details" page with their employer.

An article relating to the topic will be included in the October edition of the Employer Bulletin.

Back to [Contents](#)

Reminder – CIPP Survey – Employer's National Insurance Contributions holiday for businesses employing veterans

21 September 2020

In order to establish several of the finer details relating to the new employer National Insurance (NI) contributions holiday for businesses that employ veterans, which will be introduced from April 2021, HMRC has published a [consultation](#), which the CIPP's Policy and Research team will be producing a formal written response to.

In order to encompass the views and feedback of members in the response, the team has produced a [survey](#), which will take approximately 15 minutes to complete, and will be open until 11:45 PM on 30 September 2020. Whilst we understand that payroll professionals are extremely busy at the current time, we would really appreciate any feedback that you can provide, and this is an opportunity for you to share your views, and potentially influence future policy.

The [survey](#) includes a variety of questions, and focuses on the main areas of interest within the consultation, including comments on:

- How the government intends to define 'veterans' for the relief
- How to define the qualifying period for the relief
- How the relief could be effectively administered

Don't miss your chance to contribute, and access the [survey](#) today!

Back to [Contents](#)

The CIPP's response to the HMRC consultation: 'Supporting veterans' transition to civilian life through employment'

13 October 2020

HMRC published a [consultation](#), which ran from July 2020 to October 2020, and sought to gain feedback on how a new employer's 12-month National Insurance (NI) contributions holiday for businesses employing veterans could potentially work. The CIPP's Policy and research team hosted a survey, and held a virtual thinktank roundtable meeting to collate the views of payroll professionals, in order to shape the CIPP's formal [response](#) to HMRC.

The consultation focused on four key areas, which were:

- Definitions
- Eligibility
- Administration
- Record-keeping and evidence requirements

Of utmost concern to CIPP members, who responded to the survey or attended the meeting (or both), was the proposed transitional arrangement for the initial year that the policy will be implemented in, in tax year 2021-22. The current intention is for employers to continue to pay employer NI contributions as normal on the wages of the veterans, to then receive a credit back to their PAYE accounts for the relevant amount after submitting a Full Payment Submission (FPS), from April 2022 onwards. From April 2022, the relief can be claimed in real time, as a payroll solution will be possible by that point.

The reaction to this was that it seemed too complex, and that an existing NI category that provides employer NI relief in much the same way should be utilised, or even a new category set up, so that employers have access to the entitlement in line with the date that the policy is first implemented.

Some other key points raised included:

- Over 80% of survey respondents agreed that a consistent definition of armed forces applied by Government should be used for this policy, with 80% also in agreement that reservists should not be included as veterans for the purposes of an employer NI contributions holiday
- There was unanimous agreement (100%) that amending the PAYE Starter Checklist to accommodate questions around this relief would not deter employers from employing veterans and claiming the relief
- The majority (64%) of those who completed the survey felt that this new entitlement would not incentivise employers to take on more, or their first, veteran(s). From comments, it is apparent that businesses will employ veterans based on their skill set and experience, as opposed to an employer relief

Read the CIPP's consultation response in full [here](#).

Back to [Contents](#)

National Minimum Wage / National Living Wage

Amendments to National Minimum Wage regulations

3 April 2020

Amendments to legislation have been laid that make technical changes to rules relating to the National Minimum Wage (NMW).

There are two sets of amendments – [one](#) which serves solely to increase the NMW rates to bring them in line with recommendations made by the Low Pay Commission (LPC), which were [confirmed](#) back in December 2019 as being effective from 1 April 2020.

The [second set](#) of regulations make certain technical amendments to how NMW is calculated. The changes mirror some of those explained within the response to the consultation '[Salaried workers and salary sacrifice schemes: changing the National Minimum Wage rules](#)'. The consultation was published by the Department for Business, Energy and Industrial Strategy (BEIS), and ran from 17 December 2018 to 1 March 2019. It sought views on proposed changes to NMW regulations which related specifically to salaried hours work, and where employers felt that NMW rules unfairly penalised them with no clear benefit or protection for workers. It also requested feedback on the practical operation of salary sacrifice schemes.

The key changes within the legislation are the removal of “salary premiums” from the calculation of annual salary pay or basic hours. Additionally, employers now have the option to change a calculation year for salaried workers, if they give at least three months’ written notice to affected workers, and providing that certain circumstances are met.

The amendments also mean that, where a reduction in pay has been made to comply with a requirement imposed by the employer then this will not be classed as a reduction to a worker’s remuneration for the purpose of calculating the rate at which a worker has been paid, as long as the employer intends to, or already has, reimbursed the worker for that purchase. The same arrangement applies in terms of deductions and payments relating to a worker’s expenditure that is connected to their employment.

Back to [Contents](#)

CIPP Survey: 2020 LPC annual review of minimum wage rates

21 April 2020

To support the CIPP’s written response to the LPC’s 2020 consultation on what the National Living Wage (NLW) and National Minimum Wage (NMW) rates should be from April 2021, the Policy team have designed a [survey](#). The [survey](#) aims to collect evidence which will assist in informing the LPC’s recommendations for the 2021 NMW rates.

Respondents will be asked for their views and opinions as to

- The impact of increases in the NLW since its introduction, including the April 2020 uprating
- The affordability and effects of a NLW rate of £9.21 from April 2021
- The LPC’s remit to 2024, involving a new NLW target of two-thirds of median earnings and lowering the NLW age threshold to 21. The current central projection for the NLW rate from April 2024 is £10.69
- Potential changes to the Apprentice Rate and the effect this would have, with particular focus on younger apprentices, aged between 16 and 18 years old
- Which broader economic issues have affected the perception of what NLW and NMW rates should be
- The compliance and enforcement of NLW / NMW

The CIPP wholeheartedly understands that payroll professionals are extremely busy individuals, and that measures recently introduced to help support the UK through the outbreak of coronavirus will be demanding a substantial amount of, if not all, of their time. The [survey](#) should take approximately 16 minutes to complete, and the CIPP would really appreciate the feedback of anybody with an interest in this matter, so if you could spare the time, it would be much appreciated.

In responding to this [survey](#), you will be helping to shape the future of minimum wage rates that employers must pay their employees, and will be assisting the LPC through what will potentially be their toughest research year since the minimum wage was introduced 21 years ago, due to the current circumstances relating to coronavirus. The more views the CIPP has to include in its written statement, the more accurate picture we can build.

The [survey](#) closes at 23:45 on Friday 22 May 2020, so don't miss the opportunity to have your say.

Thank you in advance for your time.

CIPP comment

Full, fellow and chartered members (read more about various membership levels [here](#)) have the opportunity to attend the virtual think tank roundtable that the CIPP will be holding on the afternoon of 6 May 2020.

Please watch out for invites that will be issued in the coming days, or register your interest in attending by notifying the Policy team, at Policy@cipp.org.uk, using 'CIPP / LPC virtual think tank' within the subject line.

Back to [Contents](#)

Calculating minimum wage guidance updated to reflect changes to calculating salaried-hours work

21 April 2020

The Department for Business, Energy and Industrial Strategy (BEIS) has updated [guidance](#) on calculating the minimum wage to reflect changes to the way that salaried-hours work can be calculated.

Salaried hours workers are workers who receive an annual salary in equal instalments for a set number of contracted hours. Historically, only weekly and monthly paid staff could be classed as salaried workers, but changes permit additional payment cycles to be used for salary workers, including fortnightly and 4-weekly pay cycles. This will provide greater choice and flexibility to both employers and workers, whilst ensuring that workers are still protected.

The changes also allow for those workers who are paid hourly or pay day and, as a result, have different pay checks each month, to be classified as salaried workers. This is particularly relevant to those in the retail industry. It is hoped that the amendments will help businesses employing these types of worker to comply with National Minimum Wage (NMW) legislation, as companies have admitted that they have previously found this difficult due to the differences in employee hours from one month to the next.

Employers will have the option to select the 'calculation year' appropriate to their workers to help them to monitor the hours worked by salaried workers more effectively, which, in turn, will make it easier for them to identify the potential underpayment of wages.

Salaried workers are also now entitled to receive premium pay without losing their entitlement to equal and regular instalments in pay.

Back to [Contents](#)

CIPP Survey: 2020 LPC annual review of minimum wage rates

28 April 2020

The CIPP's Policy team has designed a [survey](#) which aims to collect evidence to assist in constructing the CIPP's written response to the Low Pay Commission (LPC) consultation on what the National Living Wage (NLW) and National Minimum Wage (NMW) rates should be from April 2021. Don't miss the opportunity to have your say [here](#).

The [survey](#) will take approximately 16 minutes to complete, and whilst the CIPP recognises that this is an extremely busy period for payroll professionals, we would really appreciate your feedback. This is your opportunity to shape the future of minimum wage rates, and to assist the LPC through what will inevitably be their toughest research year to date, due to the coronavirus crisis.

The [survey](#) asks for views and opinions on the impact of the NLW since its introduction, potential future NLW and NMW rates, and some specific questions on potential changes to the Apprentices Rate.

The [survey](#) will close at 23:45 on Friday 22 May 2020.

Back to [Contents](#)

CIPP Survey: 2020 LPC annual review of minimum wage rates

5 May 2020

The CIPP's Policy and Research team will be submitting a written response to the Low Pay Commission's (LPC) consultation on the future of the National Living Wage (NLW) and National Minimum Wage (NMW), and what the rates should be from April 2021. In order to incorporate the opinions of members within the response, the team has produced a [survey](#) for you to complete.

We appreciate that this is an extremely busy time for payroll professionals, many of whom will still be working through the outbreak of coronavirus, to ensure that the UK is still paid, so we would really welcome any feedback you can give. The [survey](#) will take roughly 16 minutes to complete, and it is your opportunity to feed into the future of the NLW and NMW rates, and to have your say.

The [survey](#) will close at 23:45 of Friday 22 May 2020.

Back to [Contents](#)

CIPP Webcast: National Minimum Wage refresh and update

12 May 2020

The CIPP's Policy and Research team has published a new [webcast](#), which provides an update to recent changes to the National Minimum Wage.

Despite the dominance that coronavirus has had over much of the work of payroll professionals, it is imperative to remember to keep up to date with the more 'business as usual' items, and this [webcast](#) aims to provide members with a concise overview of recent changes that have been made.

The content of the [webcast](#) includes:

- Naming scheme
- Recent updates to National Minimum Wage guidance
- Updates to salary sacrifice
- The further reach of the National Minimum Wage / National Living Wage

Back to [Contents](#)

CIPP response to LPC consultation on National Minimum Wage rates for April 2021

5 June 2020

The CIPP has submitted its [response](#) to the Low Pay Commission's (LPC) [consultation](#) to help inform its recommendations on what the National Living Wage (NLW) and National Minimum Wage (NMW) rates should be from April 2021.

The LPC sought to gather feedback on the subject of the effects of recent increases to the NMW and NLW rates, on both employers and employees, particularly in consideration of current broader economic issues, such as the outbreak of coronavirus, and the UK's exit from the EU. This year's consultation placed additional focus on the affordability of increasing the NLW to £9.21 in April 2021, and views on the LPC's remit to 2024, which would see a new NLW target of two-thirds of median earnings, and the NLW age threshold lowered to 21, from the current age of 25. There was also particular interest in the future of the Apprentice rate in this year's consultation.

Our response included a summary of both quantitative and qualitative data extracted from an electronic survey that ran throughout May 2020, and also incorporated feedback received at a virtual Think Tank roundtable session on the topic of minimum wage rates from 2021 that the CIPP hosted.

Unsurprisingly, survey results revealed that several concerns have emerged in relation to the future of minimum wage rates, due to the COVID19 outbreak, which include:

- The fact that businesses have had to close premises and furlough their staff
- Understanding of gov.uk guidance pertaining to furlough and the Coronavirus Job Retention Scheme (CJRS)
- Concerns about the increased risks of redundancies, particularly in certain sectors
- Affordability of minimum wage rates in the coming years for employers who pay at, or just above, the National Minimum Wage rates
- Concerns surrounding the accurate recording of working hours for individuals working at home, as a result of the coronavirus crisis
- The fact that recent focus on coronavirus may have meant that changes to NMW guidance have gone unnoticed by employers
- In the public sector, there are concerns that the COVID-19 crisis will result in a period of austerity

Other, more general key findings include:

- 93% of respondents felt that the outbreak of coronavirus will have had an impact on their employer's perception of what the minimum wage rates should be
- 81% of employers reported that, since its introduction in April 2016, the NLW has not impacted the number of staff that they employ
- 90% of respondents confirm that the NLW has not affected the number of hours worked by staff
- 54% state that the NLW has not significantly impacted the pay structures offered within their businesses, but it has put pressure on maintaining pay differentials and banding
- 41% of respondents confirmed that they did not think the LPC should seek to meet its target rate for the NLW of £10.69 by April 2021

The response document provides much more detailed information surrounding the information gathered from respondents, and can be located [here](#).

CIPP comment

The CIPP is delighted to have had the opportunity to respond to the LPC's consultation on minimum wage rates from April 2021, but is disappointed that the outbreak of coronavirus has hindered face-to-face meetings, and also prevented the LPC from carrying out its visits programme. Now, more than ever, it would have been useful for the Commission to view the effect of minimum wage rates at the coalface.

The CIPP hopes that stakeholder engagement with BEIS will continue into the future, and that the visits programme can be resumed once the situation with coronavirus has stabilised.

Back to [Contents](#)

The Low Pay Commission publishes blog on non-compliance in Leicester

2 September 2020

The Low Pay Commission (LPC) is interested in compliance in terms of the National Minimum Wage (NMW), even though it is not responsible for the enforcement of it, as this is managed by HMRC, on behalf of the Department for Business, Energy and Industrial Strategy (BEIS). The overall strategic direction for enforcement is controlled by the Director of Labour Market Enforcement (DLME).

The LPC makes recommendations on what the levels of minimum wage should be each year, and also gathers evidence on the topic from both workers and employers. This includes discussion of the problem of underpayment. Underpayment issues range from 'marginal' underpayment of smaller figures, to more serious forms of abuse, which are linked to criminal activity, such as trafficking and modern slavery.

A new [blog](#) has been published by the LPC, as underpayment in the garment manufacturing industry in Leicester has been on its radar for some time. Initially, in 2009, and then in 2015, commissioners visited Leicester and listened to groups involved in, or aware of, problems of non-compliance in the city, which the LPC has detailed in some of its previous reports. It is important to state, however, that it is not just Leicester, or the garment industry, that unfortunately have a reputation for underpayment. Stakeholders have suggested that, in London and Manchester, garment manufacturers use similar practices and that there are prevalent issues in other industries. Leicester is noted as one of the most persistent and notorious areas for underpayment.

Journalists have frequently investigated and highlighted labour market abuses in this area and industry, and there have been a number of publications on the issue. Conversely, data drawn from employers seem to indicate that there isn't any problem with under-payment which worryingly suggests that they are attempting to conceal the practice. Both the DLME and HMRC are interested in Leicester's textile industry but it is not an area that's been focused on in more recent non-compliance reports, however the analysis of the challenges for the enforcement and compliance system are still relevant to the problem.

Workers have a tendency to refrain from reporting underpayment. The government should continue to highlight to workers what their rights are, and the LPC suggests that the complaints system should be more user-friendly for workers. BEIS and HMRC both carry out campaigns, but the example of Leicester seems to suggest that those campaigns could benefit from being more targeted. Localised campaigns have been piloted in Leicester, to target communities most vulnerable to exploitation.

The LPC identifies the fact that individual workers may feel uncomfortable in raising and pursuing complaints, particularly if English is not their first language and they are concerned about their immigration status. This may prevent them from reporting underpayments.

The Commission has, over recent years, recommended changes to the third-party complaints system, as feedback has highlighted its opacity, particularly for unions who are raising complaints on behalf of their members. It has been reported that there is little to no feedback on these cases, which undermines confidence in the enforcement system, among the groups it depends on.

If confidence in the third-party complaints system increases, then this would help more vulnerable workers in making complaints. They will, however, need support and encouragement from institutions they place trust in – unions, charities and community groups.

Non-compliance is enforced by HMRC, in which there are a variety of teams – some teams are focused on serious non-compliance, whilst others are dedicated to 'large and complex' cases. More serious non-compliance is not only a challenge for HMRC, as there is a need to coordinate between different agencies.

Only one textile manufacturer in Leicester has been included in the Government's naming rounds of employers that underpay workers. This means that enforcement work in the city does not currently match up to the perceived scale of the problem.

The LPC released a [report](#) on non-compliance and enforcement in 2020, which suggested that HMRC should think about how it measures the cost-effectiveness of a variety of activities, to compare the relative value of different enforcement approaches. This would aid an understanding of how enforcement can provide a long-term solution for problem areas such as Leicester, in the future.

Back to [Contents](#)

Homecare workers paid £10,000 in backpay from care agencies breaching wage rules

17 September 2020

Premier Carewaiting, Kammil Education and Dilligent Care Services have been named as three social care agencies who must pay homecare workers more than £10,000 that they are owed in backpay, as it was discovered that they were in breach of wage rules, at an employment tribunal.

Back in 2016, trade union Unison represented ten care workers, who stated that they were paid below the minimum wage rate by the businesses, who contracted them to work for Haringey Council. According to the union, the care workers were not paid for the hours that were spent travelling to clients' houses, even though staff were required to move from home to home to complete their jobs. The union asserted that this resulted in the care workers earning less than half the legal minimum hourly rate during a standard 14-hour day.

The tribunal ruled that travelling and waiting time of up to 60 minutes between appointments should be treated as working time, and should be paid accordingly.

The three agencies have now been instructed to pay each employee an average settlement of approximately £10,000. This equates to nine months' work and annual leave that the businesses failed to pay their staff during this period. Personnel today [reported](#) that Dave Prentis, the general secretary at Unison, stated:

"This is a major victory for these dedicated workers who dared take on their employers. Their long struggle is nothing short of heroic.

It is time the skills and experience of care staff were respected instead of them being underpaid and undervalued. The pandemic has proven just how vital they are in looking after the most vulnerable in society and keeping the care system running.

These are the very same care staff who were applauded during the lockdown. They should not have to work in a system that breeds such awful treatment.

This ruling sends a message to other care bosses that it's completely unacceptable to pay staff illegal poverty wages. The government too must get tougher with employers so there's an end to these law-breaking practices."

Back to [Contents](#)

National Minimum Wage guidance updated for seafarers

2 October 2020

National Minimum Wage guidance has been updated to reflect the extended protection to guarantee National Minimum Wage that is to be applied to hours worked for maritime workers in a bid will ensure fair pay for over 10,000 maritime workers across the country.

From 1 October 2020 [National Minimum Wage \(Offshore Employment\) \(Amendment\) Order 2020](#) brings in a change to legislation that will ensure that seafarers are given pay protection equivalent to every other sector.

[Guidance](#) has been updated and for workers aged 25 and over, the UK's national minimum wage is set at £8.72 per hour.

Maritime Minister Robert Courts said:

"This country's rich maritime history is built upon its extraordinary workers, ensuring a fair wage for our seafarers, especially the hundreds of thousands who have kept this country going through the pandemic, means that the UK workers are not priced out of jobs by employers."

This is just the start – our [Maritime 2050 strategy](#) clearly sets the vision to see fairer global maritime"

This announcement builds on the UK government's established work to protect British maritime workers throughout the COVID-19 pandemic and follows the effective repatriation of 13,000 seafarers from UK shores whose movement was hampered due to closed borders.

In a recent [circular](#) from the RMT (Rail, Maritime and Transport) union, General Secretary, Mick Cash wrote:

"Applying NMW protections for seafarers on domestic merchant shipping routes, including the offshore energy sector is of course a modest success in the context of the 'low cost' crewing model on international routes but it will bring an estimated 13,000 Ratings of all nationalities working in the UK shipping industry into scope of UK employment law."

Back to [Contents](#)

HMRC webinars: National Minimum Wage

22 October 2020

In recognition of the fact that wages can be complicated, and that different pay elements have varying effects on the National Minimum Wage (NMW), HMRC is running two live [webinars](#) on the topic to support employers, and to help them to ensure they comply with NMW rules.

A lack of understanding of what can and cannot be included in calculations for the purpose of NMW can frequently lead to underpayments. Employers may believe that they are complying, but regularly aren't adhering to the rules due to misunderstandings of this nature.

The table below shows the current NMW rates and National Living Wage (NLW) rate:

	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2020 (current rate)	£8.72	£8.20	£6.45	£4.55	£4.15

The NMW rates are ordinarily announced at Budget, but as the Autumn Budget has been postponed, there is no indication of when the rates for use from April 2021 will be published. As soon as any detail is provided, the CIPP's Policy and research team will notify payroll professionals via News Online and social media.

Back to [Contents](#)

Off-payroll Working

Public sector contractors will be eligible for the Coronavirus Job Retention Scheme

3 April 2020

In [guidance notes](#) published by The Cabinet Office, it has been confirmed that off-payroll contractors working through Personal Service Companies (PSCs) within public sector organisations, will be eligible for the furlough scheme.

The document, which is six pages in length, makes it clear that any contingent workers, inclusive of those who are on short term contracts or who have hours that vary can apply for the Coronavirus Job Retention Scheme, where they work within the public sector. There is no indication at the time of publication that this eligibility will be extended to off-payroll workers in the private sector.

The off-payroll workers need to be in the middle of ongoing contracts for central government departments, their executive agencies or non-departmental bodies, in order for them to claim 80% of their pay up to a cap of £2,500 per month, for a minimum period of three months. This will also include any contingent workers in the NHS.

The notes reiterate the fact that the scheme is only available to those who are unable to work due to the outbreak of COVID-19, if, for example, their workplace has temporarily been closed. Where these individuals can work from home, they should continue to do so.

The scheme is available to all types of contingent worker, inclusive of:

- PAYE
- Umbrella companies
- Personal Service Companies (PSCs)

All contingent workers are eligible while they are under their current assignment, regardless of the length of time they have spent in post. However, any contingent workers who would have been let go as a result of their assignment coming to an end, irrespective of the spread of COVID-19, would not be eligible for the Coronavirus Job Retention Scheme.

The Cabinet Office confirmed that the measures have been implemented to protect:

- The livelihood of contingent workers and avoiding claims of unnecessary Statutory Sick Pay (SSP) from the supply chain
- Against the risk that some may attend work when they should be self-isolating, thereby potentially infecting wider teams and the broader general public
- Against the risk of losing critical workers to jobs in other sectors because they are not getting paid
- Supplier revenue with the intention of keeping them solvent so they remain a part of our ongoing supply chain in the future

[Back to Contents](#)

The House of Lords has listed its concerns regarding IR35 reforms in a letter to the Treasury

23 April 2020

Lord Forsyth of Drumlean sent a [letter](#) to the financial secretary to the Treasury, Jesse Norman, which detailed all of the concerns raised by the House of Lords in relation to the implementation of IR35 reforms. They have been delayed to take effect from 6 April 2021, but were originally due to be introduced in tax year 2020-2021.

Lord Forsyth chairs the Finance Bill Sub-Committee, which was announced on 4 February 2020, and places specific focus on the rollout of off-payroll working rules. The group hopes that the government will address the issues it has highlighted before the changes are introduced next year.

The letter discusses the costs associated with the IR35 reforms and the fact that contractors may lose business or face declining rates as a result of them. Businesses have voiced their concerns at the administrative burden that off-payroll working rules bring with them, and the letter also details concerns the Sub-Committee has heard about contractors leaving freelancing, losing business and suffering due to a decline in pay rates, as clients pass down additional costs they will incur due to the reforms.

The Sub-Committee also urges the Treasury to respond to questions raised within the letter in relation to the extent of the success of the changes within the public sector, blanket assessments, the impact on umbrella companies, HMRC's Check Employment Status for Tax (CEST) tool, and how fair the reform will be.

The Sub-Committee requested a response to questions raised in the letter within ten working days.

Back to [Contents](#)

The House of Lords economic affairs finance bill sub-committee's report urges the government to rethink IR35 reforms

28 April 2020

The House of Lords economic affairs finance bill sub-committee has published its report, ['Off-payroll working: treating people fairly'](#). The report suggests that, as the outbreak of coronavirus has placed a delay on the government's plans to extend off-payroll working rules to the private sector, the extra time should be used to completely rethink the legislation, as currently, it is unfair on both businesses and contractors.

The report argues that the unintended consequences of the proposed reforms have not been given enough consideration, and that contractors are already suffering, with many being laid off ahead of the changes that will now not take effect until 6 April 2021.

The report also refers to significant changes to the self-employed market over recent years, with the rise of the 'gig economy', which has resulted in a substantial increase to the number of lower paid self-employed workers. The tax system, therefore, needs to adapt to these changes but the resulting challenges created extend much further than the tax system.

The sub-committee heard reports from individuals who stated that, as a result of the reforms, they would be "zero-rights employees", as they wouldn't be entitled to any of the rights awarded to employees, and would no longer benefit from the tax advantages of being classed a self-employed.

The committee has reminded, and urged, the government to stand by its promises to implement recommendations of the [Taylor Review](#), one of which related to the consistent taxation of labour across different types of employment, and a balance between tax, rights and risk.

The government has confirmed its intentions to investigate the effects of the reforms to off-payroll working rules six months after they have been implemented, but the committee argues that this is too soon, and suggests that the government instead conducts research 18 months after the changes are introduced to get a more accurate picture of the effects they have.

Chair of the committee, Lord Forsyth, said:

"The Committee welcomed the Government's decision to defer these off-payroll working rules in the wake of the Covid-19 pandemic.

However, our inquiry found these rules to be riddled with problems, unfairnesses, and unintended consequences. The potential impact of the rules on the wider labour market, particularly the gig economy, has been overlooked by the Government. It must devote time to analysing all of this. A wholesale reform of IR35 is required.

The rules were deferred for a year because of the current crisis, but how prepared will businesses recovering from the crisis be to take on this extra burden on next year? The Government needs to think this through very carefully. We call on the Government to announce in six months' time whether it will go ahead with reintroducing these proposals.

Contractors already concerned by these uncertain times now have the added worries of paying more employment taxes and having their fees cut by clients making additional National Insurance Contributions. Also concerning is the number of companies getting rid of contractors in anticipation of the implementation of these new rules."

Back to [Contents](#)

Off-Payroll Working changes look imminent to go ahead as planned

21 May 2020

Debate around the implementation of Off-Payroll working continues within Parliament.

Despite an attempt to see its further delay MPs failed to vote on the amendment proposed by David Davies, Conservative MP for Haltemprice and Howden and the reforms seem now to be one step closer to being introduced in April 2021 with the bill moving to the committee stage within parliament.

On 19 May 2020, the [Finance Bill](#), which sets out budget measures, including the delays to the Off-Payroll working reform (commonly known as IR35) were debated in the House of Commons with David Davies putting forward the [proposal](#) to extend the delay of the rule changes regarding Off-Payroll Working until April 2023.

David Davis MP argued that: *"In the light of the impact that coronavirus is having across all sectors of the economy, the government have rightly committed, in the motion, to postponing the planned reforms to IR35, but only until next April. The effects of the pandemic are going to be felt for considerably longer than one year. On this basis, in April next year self-employed contractors will be hit with unnecessary costs, confusion and uncertainty, just as many of them are getting back on their feet after the coronavirus has wreaked havoc across the economy. It is the self-employed and small businesses that make up the beating heart of our economy, and they will power the recovery of our economy out of this crisis."*

Despite his attempt to sway a further delay, MPs failed to vote on the amendment proposed.

The government's financial secretary to the Treasury, Jesse Norman backed the decision and stated; *"To help businesses and individuals deal with the economic impacts of the coronavirus, on 17th March the government announced that the reform to the off-payroll working rules would be delayed by one year from 6th April 2020 until 6th April 2021. The amendment would delay the introduction of reform by a further two years to April 2023, but it is hard to see any genuine rationale for this further delay."*

The impact of these reforms will see every medium and large private sector business in the UK become responsible for establishing the tax status of any contract worker. Opposers to these reforms fear the change will have a huge impact, not just on those business who use the services of Personal Service Company's (PSC), but for the private sector contractors who currently operate their business under PSC's.

Back to [Contents](#)

IR35 reforms will go ahead as planned in April 2021

3 July 2020

The off-payroll working reforms will go ahead as planned, in April 2021, after initially being delayed from their intended implementation in April 2020, due to the economic pressures and uncertainty caused by the outbreak of coronavirus.

On 1 July 2020, the off-payroll working clause and schedule within the [Finance Bill](#) passed successfully through Report Stage in the House of Commons. It is expected that the Finance Bill will receive Royal Assent prior to the Summer recess, at which point the Queen formally agrees to make it an Act of Parliament.

Conservative MP, David Davis and Liberal Democrat, MP Ed Davies had proposed an amendment to the Finance Bill to delay the reform until 2023-24 but fellow MPs voted against this, and the motion was defeated. This will not be welcome to many freelancers, who are opposed to the reforms being brought in at all, let alone from at the start of the next tax year.

CIPP comment

The CIPP sits on the Off-Payroll Working Consultation forum, so if you have any feedback you would like to pass on, then please contact the Policy team, at Policy@cipp.org.uk.

Back to [Contents](#)

The government response to the report from the Economic Affairs Finance Bill Sub-Committee on off-payroll working

17 July 2020

The Government has published its [response](#) to the report from the Economic Affairs Finance Bill Sub-Committee on off-payroll working. The response focuses on the variety of concerns put forward by the Sub-Committee and confirms how the government is responding to the recommendations that were provided.

When the report from the Economic Affairs Finance Bill Sub-Committee on off-payroll working was initially published, Lord Forsyth of Drumlean, who was the Chair of the Sub-Committee, said:

"The Committee welcomed the Government's decision to defer these off-payroll working rules in the wake of the Covid-19 pandemic.

However, our inquiry found these rules to be riddled with problems, unfairnesses, and unintended consequences. The potential impact of the rules on the wider labour market, particularly the gig economy, has been overlooked by the Government. It must devote time to analysing all of this. A wholesale reform of IR35 is required.

The rules were deferred for a year because of the current crisis, but how prepared will businesses recovering from the crisis be to take on this extra burden on next year? The Government needs to think this through very carefully. We call on the Government to announce in six months' time whether it will go ahead with reintroducing these proposals. Contractors already concerned by these uncertain times now have the added worries of paying more employment taxes and having their fees cut by clients making additional National Insurance Contributions. Also concerning is the number of companies getting rid of contractors in anticipation of the implementation of these new rules."

In the response to the report, recommendations are grouped into eight main categories which are:

- Delay in announcing the introduction of the reform in April 2021 until October 2020, when COVID-19 impacts may be clearer
- Employment rights
- Independent review into the implementation of the public sector reform
- Market impacts and blanket assessments
- Education and support, including the Check Employment Status for Tax (CEST) tool
- Potential cost to business of the new rules
- Umbrella companies
- Alternatives to the off-payroll working rules

The government responds to each area of recommendation, and concludes the response to the Sub-Committee's report by stating:

“The Government has carefully considered the Sub-Committee’s report into the off-payroll working rules. Whilst the Government is still committed to introducing the reform to these rules in this Finance Bill, with an implementation date of 6 April 2021, it agrees with the Sub-Committee that the delay should be used productively and effectively.

The Government has already committed to commissioning further research into the public sector reform to assess how the reform had been implemented and its effect on the labour market. Furthermore, HMRC are enhancing its education and support to businesses and individuals ahead of the implementation of the reform in April 2021. HMRC will continue to engage with a wide range of stakeholders on the implementation of the reform, working with different sectors to ensure businesses understand the changes.

The Government would again like to thank the House of Lords Economic Affairs Finance Bill Sub-Committee for their inquiry into the off-payroll working rules.”

Back to [Contents](#)

New Quick Poll: Readiness for off-payroll working reforms

20 July 2020

It has been impossible to discuss most things over the course of the past few weeks and months without reference to the words pandemic, coronavirus or COVID-19. Although Rishi Sunak confirmed at Budget 2020 that the off-payroll working reforms would go ahead from 6 April 2020, the outbreak of coronavirus changed all of this and, on 18 March 2020, the government confirmed that the reforms would be delayed until 6 April 2021.

This may seem to be quite far away in the distant future, but the time will rapidly come around, and businesses need to ensure that they are ready for the changes to the off-payroll working rules in order to ensure that they are compliant with them. There are many individuals still lobbying for the reforms to be delayed further, and there are also those that are calling for them to be abolished in their entirety.

To establish how prepared payroll professionals are for the imminent off-payroll working reforms, the CIPP’s Policy and Research team has included a new [Quick Poll](#) on the News Online page.

We recognise that, now more than ever, payroll departments are extremely busy but the [Quick Poll](#) will take less than a minute to respond to, and will help to determine how prepared businesses within the UK are, on a whole, for the upcoming changes to the rules.

Thank you in advance for the time taken to respond to the [Quick Poll](#), and to feed into research on the preparedness for the reforms to off-payroll working rules from 6 April 2021.

Back to [Contents](#)

Off-payroll working guidance updated, ahead of the implementation of the new rules from 6 April 2021

22 September 2020

In order to assist organisations to prepare for the off-payroll working rules, which will be introduced from 6 April 2021, there is a wealth of information available. There is [guidance](#) on the topic on Gov.UK, and HMRC is also resuming its customer education and support programme.

The guidance gives details relating to how the rules should be applied, and gives a variety of examples, following on from feedback given by trade bodies and industry representatives. The [Employment Status Manual](#) has also been updated with further technical guidance. There is more, in-depth information within guidance on the topics of statutory payments, appropriate wording for clients to utilise when confirming their size, and the use of recovery from other persons provisions. Both sets of guidance have been updated to incorporate the final legislation of the Finance Act 2020.

HMRC has conducted an internal evaluation of the substantial amount of support that was provided prior to the reform being delayed. There were, in total, 2,000 educational calls to the largest organisations, ten webinars held, and 40,000 educational letters circulated. HMRC intends to provide even more extensive education and support and will focus on the customers in sectors that are most impacted by the changes, and also the customers who have the greatest support needs. [Webinars](#) will be delivered for organisations and contractors later this month, starting from 13 October 2020 for organisations, with contractor webinars later in the month. There will be webinars focusing on key topics, including international supply chains, fee-payer responsibilities, making determinations, and engagements affected by the rules.

HMRC will be organising workshops, tailored to certain sectors and customer groups, and contacting customers identified as having the greatest needs, using educational calls. There will also be extra resources for contractors, along with communications resources which stakeholders can share with their customers. An education and support sheet is due to be published shortly, which will detail more about the help that will be provided, with signposts to the different educational resources. HMRC has confirmed that it will continue to work closely with stakeholders to ensure that the education programme is as helpful as possible.

The [Check Employment Status for Tax \(CEST\) tool](#) is available to use when making determinations, and can be used ahead of the new rules being implemented. HMRC maintains that it will stand by the outcome provided by the tool, provided it is completed accurately and in accordance with guidance.

Back to [Contents](#)

HMRC webinars – Off-Payroll working and Avoiding Saver Scams

5 October 2020

HMRC has advised that they have scheduled further Talking Points webinars.

In the coming weeks you can book onto webinars on the subject of protecting against saver scams and a reawakening on the subject of Off-payroll working reforms which are to be implemented from April 2021.

There are a limited number of spaces therefore to avoid disappointment secure your place now.

How you can help savers avoid scams - [Monday 12 October 11.15am to 12.15pm](#)

This webinar will provide information on pension scams, how they are operated, who is at risk and how to recognise the warning signs. During the current pandemic, there have been an increase in reports of such scams, therefore the information provided could be invaluable.

Off-payroll working rules from April 2021 - [Choose a date and time](#)

This webinar aims to give an update to changes to the off-payroll working rules from April 2021 for the public sector and medium and large sized organisations. This measure was due to be implemented in April 2020, however, due to the current pandemic, it was postponed until April 2021. Through recent polls posed by the policy and research team, some organisations are still not ready for this to go ahead, even with the 12-month delay. This webinar will provide the essential information required to understand the changes to the rules.

Back to [Contents](#)

Off-payroll: Guidance on checking labour supply chains

9 October 2020

HMRC has updated its [guidance](#) on off-payroll working, to give details of applying due diligence principles to labour supply chains. Ahead of the off-payroll working reforms, which will be implemented from 6 April 2021, this information has been provided, as failure to take reasonable action in this area could potentially lead to substantial legal, financial and reputational risks to businesses. In some cases, it could even result in companies needing to cease operations entirely.

A business could end up being responsible for unpaid taxes and National Insurance (NI) contributions. In addition to this, they may not be able to recover VAT payments, and individuals could even be prosecuted and handed unlimited fines if someone acting on their behalf allows tax evasion. These labour supply chain checks are also imperative in protecting workers and preventing modern slavery.

Labour supply chain due diligence checks

Due diligence should be performed to ensure that businesses are able to make judgements on transactions and the integrity of their supply chains. It will mean that businesses are protected by assessing the credibility, legitimacy, legal and tax compliance of any suppliers, customers, employees and labour supply.

Criminal practices such as exploitation, fraud and avoidance can be more easily disguised within a supply chain in scenarios where due diligence has not been performed by all parties, so checks conducted solely in relation to immediate suppliers and customers may not be enough. Credibility of the supply, payment arrangements and other surrounding circumstances should also be considered.

Supply chain due diligence principles of checking, acting and reviewing will allow businesses to apply effective risk management and sufficient due diligence to ensure the integrity of supply chains, which will subsequently reduce the level of exposure to risks.

There are three main principles relating to supply chain due diligence:

- Check:
 - Risks by performing risk assessments, understanding what they are and how to mitigate them
 - The business' own compliance with legal, financial and social obligations
 - The tax and legal compliance of suppliers
 - To eliminate modern slavery and exploitation risks, check for published slavery and human trafficking statements, and for indicators of modern slavery and exploitation
- Act:
 - Act on risk assessments by setting up effective systems and processes for due diligence
 - Know suppliers – check the credibility of directors and verify signatories of contract negotiations, for example
 - Know the workforce of suppliers – understand the relationship between the workers and the provider of labour
 - Identify how long the supply chain is
 - Know the suppliers of those within the supply chain
- Review:
 - Due diligence needs to be continuously monitored and reviewed
 - Due diligence procedures need to be reviewed
 - Live risk management needs to be monitored

The [guidance](#) provides much more detailed information on the principles, and surrounding guidelines. There is also discussion of what happens in scenarios where appropriate action is not taken to ensure due diligence within supply chains.

Back to [Contents](#)

Off-Payroll working rules – HMRC update on interpretation of Section 61O

16 October 2020

HMRC has responded to concerns raised by stakeholders regarding the wording of section 61O of Chapter 10 ITEPA that will apply from 6 April 2021.

As part of Finance Act 2020, the Government introduced an amendment to section 61O of ITEPA 2003, relating to the conditions where an intermediary is a company. This amendment was made as a result of feedback on the draft legislation to protect against arrangements put in place to side step the material interest condition.

Stakeholders raised concerns about how the new conditions for a company to qualify as an intermediary for the off-payroll working rules could capture a wider range of companies providing a worker's services to a third party, such as

umbrella companies, employers seconding employees and agencies providing workers in circumstances where the other conditions of Chapter 10 are met. This interpretation would require a client to apply Chapter 10 to those engagements. [HMRC confirm](#) that this is not the intention of the legislation.

The off-payroll working rules are intended to apply to situations where there is no employment or agency worker relationship between the worker and the client or an agency or other third party in the labour supply chain, and the worker's services are provided through their own intermediary. Where a worker is already subject to PAYE on all of the income from an engagement as an employee, other than with their own intermediary, HMRC does not intend Chapter 10 to apply.

The Government's policy intent in relation to the off-payroll working legislation is clearly set out in its recently published technical guidance. [ESM guidance](#) also sets out how HMRC will apply the legislation in practice, and customers should continue to reference it as they prepare for the off-payroll working reform.

HMRC is actively engaging with stakeholders on this issue and continues to work closely with them. HMRC is [considering](#) what action is required to ensure the off-payroll working rules apply as intended in order to provide certainty to those affected by the reform.

CIPP comment

The CIPP policy and research team are members of the IR35 forum. If you have any comments or concerns that you wish to raise please contact samantha.mann@cipp.org.uk. Further information on the subject of Off-payroll working rules will be available at the virtual CIPP/AAT [Hot Topics](#) event on 19 November when HMRC will be in attendance.

Back to [Contents](#)

Off-payroll working rules – when to use the RTI indicator flag

16 October 2020

HMRC have issued a stakeholder update on the subject of the Off-payroll indicator flag that now sits within RTI processes.

Since 6 April 2020, payroll software has included an addition of an 'off-payroll worker subject to the rules' indicator in PAYE RTI. HMRC have issued an [update](#) on the subject of the RTI indicator flag that now sits within payroll software.

The off-payroll working rules

The off-payroll working rules are designed to ensure that individuals (sometimes known as contractors) working like employees but through their own limited company or other type of intermediary, pay broadly the same income tax and National Insurance Contributions (NICs) as those who are directly employed, for that contract. These rules are also known as 'IR35'.

The rules changed for the public sector in April 2017. The changes meant that the client or an agency in the supply chain for public sector engagements became responsible for deducting income tax and NICs before paying the contractor's intermediary for their services if the rules apply to a particular contract.

The rules are changing again in April 2021 and will be expanded to include medium and large non-public sector organisations as well.

The 'off-payroll worker subject to the rules' indicator in PAYE RTI

The indicator was introduced to highlight payments on which PAYE has been operated under the off-payroll working rules and to stop the deduction of student loans for these contracts.

As workers of these engagements are deemed employees for income tax and NICs purposes only, the indicator also ensures that employee entitlements (such as statutory payments) are not accrued.

An 'off-payroll worker' is a worker that provides their services through their own intermediary (usually a limited company). The indicator is only to be used by deemed employers of contractors where contracts are inside the off-payroll working rules. The person responsible for deducting income tax and NICs is known as the deemed employer.

Who should use the indicator

On 11 May 2020, the use of the indicator became mandatory for deemed employers of engagements that are affected by the 2017 off-payroll public sector reform (of Chapter 10, Part 2 of ITEPA 2003).

Therefore, the PAYE RTI indicator must be used by the client or agency who is responsible for deducting income tax and NICs for public sector contracts that are inside the off-payroll working rules.

If the indicator has been used incorrectly for employees of non-public sector engagements, please ensure that this is amended through a corrective Full Payment Submission (FPS) for the relevant period. This is to ensure that the correct PAYE is being deducted, and that workers are building up entitlement to statutory payments where eligible. Please see [how to make corrections](#) how for guidance on how to submit a corrective FPS. Alternatively contact your software provider for guidance that is specific to your payroll product.

The indicator should **not** be used by a contractor's own intermediary.

Changes from 6 April 2021

From 6 April 2021, the 'Off-payroll worker subject to the rules' indicator must also be used by deemed employers of contracts that are inside the off-payroll working rules where services are being provided to a medium or large sized organisation outside the public sector.

Back to [Contents](#)

Education and support: off-payroll working changes

20 October 2020

HMRC has published a [factsheet](#) that signposts anybody impacted by the upcoming changes to the off-payroll working rules to the raft of information and guidance that is available online, to help them to prepare prior to April 2021.

The amendments were due to come into effect from April 2020, but in recognition of the turbulence created by coronavirus, they were delayed until the following year. The changes have been made to ensure that individuals, frequently referred to as contractors, who work like employees, but through their own company or other type of intermediary, pay the same income tax and National Insurance (NI) contributions as people who are directly employed.

The rules will affect:

- Medium or large-sized non-public sector organisations, that engage contractors working through their own intermediary
- An employment agency which supplies contractors who work through their own intermediary
- A public authority – there are additional changes coming from April 2021
- A contractor who provides services through their own limited company or other intermediary

The factsheet includes a table of all the different sources of information regarding the upcoming off-payroll working reforms. It confirms who the guidance is most relevant to, whether that be clients and fee-payers, tax agents or contractors, or, indeed, whether it is aimed at assisting all three.

Back to [Contents](#)

Employment Status Manual - Guide to determining status: fact finding/evidence gathering updated

5 November 2020

The employment status manual has updated guidance on determining employment status.

With off-payroll lurking just around the corner, the [Employment Status Manual](#) has been updated to include sets of questions that can be asked at interview to establish the status of a worker.

The [guidance](#) is specifically clear that the notes within the manual are not to be given to either the engager, worker, or adviser as a questionnaire, but are to be asked at interview stage. They are not an exhaustive list of issues to be considered in every case, and not all of the issues will apply in every case with some cases calling for further or different lines of questioning. They are intended as a foundation of ideas only and should therefore be used flexibly and carefully. Some of the issues are not self-contained and will be evidence for more than one status pointer. The ideal option is to ask broad open questions which themselves will lead to the answers on some of the issues listed with in the guide.

Facts should normally be obtained from both the person delivering the work (referred to as the 'engager') and the worker. You should not ask the engager or worker questions about each other that they cannot be expected to know. The in-depth guidance is very much welcomed by anyone wanting to find the employment status of a worker, especially as the previously delayed changes to the off payroll working rules will be implemented in April 2021.

In addition, businesses can obtain status by way of completing the [online CEST tool](#). HMRC state that they will stand by the results given by the tool providing the answers given have not been contrived. Results achieved through contrived arrangements, designed to get a particular outcome from the service however will not be stood by and this would be treated as evidence of deliberate non-compliance, which can attract higher associated penalties.

Back to [Contents](#)

HMRC warns of potential dangers to businesses of Mini Umbrella Company fraud

5 November 2020

Businesses that places or has use of temporary labour should be mindful of the possible dangers presented to their business by Mini Umbrella Company (MUC) fraud found within their supply chains.

MUC fraud also significantly reduces tax payments to HMRC including PAYE, National Insurance and VAT, but not only that, a fraudulent supply chain lead to reputational and financial damage to a business and workers may not receive all they're entitled to.

End users or providers of temporary labour have the responsibility to be clear about who ultimately pays the workers and how they are paid. Ensuring this, is the only way to protect a business from becoming ensnared in MUC or other supply chain frauds.

Most MUC arrangements are believed to be fraudulent, therefore, it would be prudent to ensure that the warning signs are noticed to protect businesses.

What is Mini Umbrella Company Fraud?

The MUC model is an employment intermediary model which presents an organised crime risk to the UK Exchequer. The fraud is principally based around the abuse of two Government incentives which are aimed at small businesses – the VAT Flat Rate Scheme and the Employment Allowance. However, this type of fraud can also result in the non-payment of other taxes such as PAYE, National Insurance and VAT, reducing vital funding for the public services that are relied heavy on. MUC fraud is not restricted to specific trade sectors and can be found in supply chains wherever temporary labour is used.

In its plainest form, the MUC fraud model involves splitting up a workforce into hundreds or thousands of small, limited companies which are set up solely to enable the fraud. The workforce is mostly a temporary workforce who previously in the past, would have been paid by an employment agency or an umbrella company. The structuring of the MUCs is enabled by a promoter business, which is sometimes also known as an outsourcing business, that may have other linked businesses to aid the operation. The creation of the MUCs and the intricate layers of businesses within the supply chain, help to enable the fraud.

For employees, who are often unaware to these arrangements, the use of this model can result in the loss of some employment rights. Workers in MUCs are usually unaware of who their employer actually is, and they can be moved frequently between MUCs to help maximise profits from the fraud.

How you can spot Mini Umbrella Company fraud and protect your business?

There is not a benchmark MUC fraud model and arrangements are continually evolving as organised criminals are attempting to hide their fraudulent activities from HMRC, however, there are some common characteristics which businesses might come across during regular due diligence checks. Information from sources such as the Companies House register might aid to spot warning signs when completing quarterly [Employment Intermediary Reports](#) or the [Key Information Document for Workers](#).

Signs to look out for include:

- An unusual company name – Quite often, multiple companies are set up around the same time which tend to have a similar or unusual name. These companies will also often be registered at an address which does not seem appropriate for the types of business activities.
- Unrelated business activity description – Compare the nature of the business activities described in Companies House to the services provided by the workers – are they compatible?
- Directors being foreign nationals – Frequently foreign nationals are appointed as directors when an MUC is formed or they can replace a temporary UK resident director after a short period of time. Usually the directors will have no previous experience in the UK labour supply industry.
- An unusually high movement of workers – Take note of how often workers are moved between different employers who meet the above criteria for being MUCs. Is this on a frequent basis?
- Very short-lived businesses - The individual MUCs have a relatively short lifespan (often less than 18 months) before being allowed to be disbanded by Companies House because of their failure to meet their filing obligations. New MUCs will then take their place in the supply chain. This would be noticed as you may find that you need to issue a new Key Information Document to workers on a regular basis.

As the MUCs sit low down in the supply chain it may be tricky to spot them. HMRCs advice to businesses is to remain watchful, especially where the employer of the worker is not the Umbrella Company that they may have a contract with.

It is important for businesses to consider the integrity of the supply, payment arrangements and other surrounding circumstances to help safeguard themselves from financial, operational, and reputational risks. Guidance on undertaking robust due diligence can be found [here](#).

MUC fraud creates an unequal playing field for those employment agencies and businesses who do follow the rules. HMRC's Fraud Investigation Service is using both its civil and criminal powers to confront those who are involved and who are facilitating this type of fraud. HMRC has recently made a number of arrests in relation to MUC fraud and has also taken steps to deny the right to recover input tax in cases where it has proven that a business in the supply chain knew, or should have known, that there was fraud.

HMRC is working with trade bodies and other Government Departments to increase awareness of the MUC fraud model and its risks more extensively. HMRC is also currently undertaking a programme of activity to establish the levels of due diligence that are being carried out by employment agencies and end users who use temporary labour. As part of this programme HMRC plans to issue advice on the levels of due diligence expected by a business to help them to avoid becoming a victim of the fraud.

If you have concerns about a supplier or engager of labour, or associated activities, please contact the HMRC hotline on 0800 788 887 (open 8am to 8pm every day). For more information, please see how to [report fraud to HMRC](#).

Back to [Contents](#)

Education tools: Off-payroll working

9 November 2020

HMRC has published a [useful guide](#) to the various help resources it offers on the topic of off-payroll working, ahead of the changes coming into effect from 6 April 2021.

The main guidance available is as follows:

- [Off-payroll working \(IR35\): detailed information](#)
- [Check Employment Status for Tax \(CEST\) tool](#) – this can be used to establish whether a worker on a specific engagement should be classed as employed or self-employed for the purposes of tax
- [Employment Status Manual](#) – this provides detailed guidance and explanations of how the rules should be applied

The help available is tailored dependent on whether someone is a client or fee-payer, a contractor or a tax agent.

Clients and fee-payers

HMRC recommends webinars, workshops and tailored educational calls for clients and fee-payers. Between October 2020 and April 2021, HMRC is offering a variety of off-payroll [webinars](#), which will provide an overview of the reforms and additional information in certain topic areas.

Clients or fee-payers who may need a more general overview of the rules are encouraged to register for the following two webinars:

- Overview of the off-payroll working rules
- Making the determination, disagreements and record keeping – this discusses the requirements in making a determination and what constitutes a disagreement

More webinars will be published on specific subjects that clients and fee-payers may require more detailed information about. Some of the more detailed webinars available cover:

- International issues – how off-payroll working interacts with both international and overseas issues
- Engagements where the rules apply – the duties of each entity within the contractual chain, and what engagements should be considered. This includes contracted out servicers
- Fee-payer responsibilities – practical considerations of operating PAYE, and deemed employment payment calculations

HMRC is also offering workshops for small groups, which will be delivered on a virtual basis. They will provide an in-depth overview of what the changes mean and will be tailored to suit the needs of certain sectors.

Workshops will begin in November 2020, and HMRC is working with stakeholders to ensure it identifies the right individuals to invite. Invitations will be issued via trade and representative bodies.

Workshops will be sector specific and will also look at the duties of recruiters and agencies when they are dealing with both contractors and clients.

HMRC will be directly contacting individuals with the greatest support needs to invite them to take part in educational calls.

Contractors

There are [additional materials](#) to assist contractors, along with a [flow chart](#) and [factsheet](#).

The same webinars will also be of use to contractors and will be delivered throughout the rest of 2020 and up to April 2021.

Tax agents

Tax agents can make use of the communication resources on Gov.UK, along with webinars and workshops. The [communication resources](#) can be used to discuss the changes with members, clients and customers, and may be particularly useful when liaising with contractors.

Workshops for tax agents will include a focus on the accounting treatment and record keeping for tax agents who must deal with contractor's intermediaries.

Back to [Contents](#)

PAYE (Pay As You Earn)

Attachment of Earnings Orders (AEOs, DEAs)

Collection of DEAs issued by DWP suspended

3 April 2020

We have received several calls into our Advisory team in relation to Direct Earning Attachment Orders (DEAs) issued by the Department of Work and Pension (DWP). Members have advised that they have been contacted by DWP and have been told to suspend all DEAs processed via their payroll that have been issued by them.

Upon investigation, DWP have, in fact, issued a statement on their debt management telephone line, advising that all debt management collection in relation to over payments of benefits, tax credits and social funds have been suspended for a temporary period. They will not be issuing any new collection notices nor collecting any debt during this time.

Employers who process DEAs for DWP via their payroll are advised to suspend all DEA collections, and to not set up new orders that may have recently been received. You are not required to speak to an advisor or gain authorisation to action this.

Official guidance will be published very soon, however, if you would like to hear the notice given, you can call 0800 916 0614, selecting option 1 for employers.

Back to [Contents](#)

DWP confirms the recovery of benefit overpayments has been suspended temporarily

7 April 2020

As previously reported by the CIPP's News Online, the Department for Work and Pensions (DWP) has now issued a [press release](#) confirming that the recovery of benefit overpayments has been paused for a period of three months. This is in response to the coronavirus crisis.

This means that many claimants will see an increase to the amount that they receive in benefits that they are receiving during the outbreak and will also allow the department to shift large numbers of staff to front line roles. This will allow them to focus on ensuring that they can provide money to those who need support as there have been a significant increase in claims over the last two weeks. It has been confirmed that 10,000 current staff will be moved to front line roles and the department has confirmed that it is recruiting more.

Deductions relating to the recovery of Universal Credit, and legacy benefit overpayments, Social Fund loans and Tax Credit debts will temporarily be paused. Most of these deductions will be automatically suspended, but if repayments

are made via standing order, bank giro credit or online banking, then the relevant bank should be contacted, and the arrangement cancelled.

The recovery of advances by deduction from Universal Credit payments will continue.

Some other key points include:

- The recovery of Advances by deduction from Universal Credit payments will continue
- Local Authorities will suspend referral of Housing Benefit overpayments
- The transfer of Tax Credit debt from HMRC has already been suspended
- Debt recovery activity will be stopped as soon as possible. This includes all benefit-related overpayments, Social Fund loans and Tax Credit debts. Many activities will cease immediately but others may take longer to implement
- For citizens who are not on benefits, private sector debt collection agencies have been directed to stop their activity for Debt Management customers
- Voluntary debt repayments and recovery by Direct Earnings Attachments are also being suspended

Back to [Contents](#)

Update on the treatment of DEAs during the outbreak of coronavirus

3 July 2020

Due to the impact that coronavirus, or COVID-19, has had on almost every aspect of our daily lives, the Department of Work and Pensions (DWP) [announced](#) that it would be writing to employers to instruct them to temporarily stop benefit debt repayments, and that no Direct Earnings Attachment (DEA) deductions should be taken from employee pay in April, May or June 2020.

Member feedback has highlighted the fact that the letters received from DWP actually advised employers to cancel deductions, and not to temporarily suspend them.

The CIPP has approached the DWP to ask whether the suspension to DEAs will be extended beyond June 2020, and what employers need to do to prepare. The advice given was that employers will be contacted by letter if any DEA deductions are to resume.

This is due to the fact that many people may have lost their jobs due to the effects of coronavirus, or may just be living under completely different circumstances. It may be that people opt to pay directly to DWP and not have the funds deducted through payroll. In light of this fact, and how significantly things may have changed, the DWP will be contacting individuals directly and then will be sending letters to employers should there be the requirement for a DEA to be added to an employee's payroll record.

The key point is that employers and payroll professionals should not recommence DEA deductions for staff until they receive a letter instructing them to do so. [Current guidance](#) is due to be updated shortly to reflect this information, and the CIPP will publish via News Online once this happens.

Back to [Contents](#)

Updated guidance on the treatment of DEAs during the outbreak of coronavirus

13 July 2020

Due to the impact that coronavirus, or COVID-19, has had on almost every aspect of our daily lives, the Department of Work and Pensions (DWP) [announced](#) that it would be writing to employers to instruct them to temporarily stop benefit debt repayments, and that no Direct Earnings Attachment (DEA) deductions should be taken from employee pay in April, May or June 2020.

As advised in a previous news piece, DWP confirmed that any DEA issued by them should be cancelled and that employers should await written confirmation before actioning any deductions.

This considers that many people may have lost their jobs because of coronavirus or may just be living under completely different circumstances. It may be that people opt to pay directly to DWP and not have the funds deducted through payroll. In light of this fact, and how significantly things may have changed, the DWP will be contacting individuals directly and then will be sending letters to employers should there be the requirement for a DEA to be added to an employee's payroll record.

The key point is that employers and payroll professionals should not recommence DEA deductions for staff until they receive a instructions telling them to do so. [Guidance](#) has now been updated to reflect this, advising that "We will write to you when you need to restart making deductions."

Back to [Contents](#)

Expat News

How to calculate and deduct PAYE for employees coming to work in the UK

22 October 2020

HMRC has updated [guidance](#) on the topic of employees coming to work in the UK from abroad, and advises employers about how to apply for an agreement to operate PAYE on an employee's earnings for UK work.

Employers can [apply to operate PAYE on employee earnings for work they carry out in the UK](#) in scenarios where an employee is not a UK resident and works both within and outside of the UK, or where the employee is a resident in the UK, the [remittance basis](#) applies to them and they meet the three year period of non-residence.

In circumstances where HMRC confirms that an employer can operate PAYE in this way, it can be applied to all payments made to the relevant employees, and this includes termination payments and shared-based remuneration.

Where an agreement is already in place, but it has not been possible for an employee to either leave or return to the UK, due to measures implemented to reduce the spread of coronavirus, employers can contact HMRC to ask them to amend the arrangement.

This will mean that, if the employee has been unable to leave the UK in tax year 2020-21, then PAYE can be operated on 100% of their earnings, and similarly, if they are unable to return to the UK indefinitely, UK tax could be reduced accordingly, or may not even be due, depending on the employee's individual circumstances.

In order to request an amendment to an agreement, the routes below should be followed:

- [Employers: expatriate employees](#) for any expat employees
- [Self-Assessment: general enquiries](#) for all other employees

Back to [Contents](#)

General PAYE News

2020-21 Manual Taxable Pay Tables published

14 April 2020

HMRC has published the manual tables for the 2020-21 tax year.

The [Manual Taxable Pay Tables](#) are published for the small number of employers that still calculate their payroll manually. But they remain essential for any anyone who processes payroll and is responding to an employee question that asks, 'why is my tax this amount?'

'Because the computer says so' has never gone down well as a response....and never will.

Back to [Contents](#)

The Institute for Government publishes report: “Overcoming the barriers to tax reform”

17 April 2020

The Institute for Government – a thinktank which aims to help to make government more effective – has published [a report](#) which discusses the main barriers that stand in the way of reforming the tax system and how the government could overcome them.

The report states that the UK tax system would benefit from an overhaul but that this has been avoided historically by previous governments, due to fear of public resistance. The coronavirus outbreak will serve to highlight existing issues within the system, but the government should seize this rare opportunity to make changes to the UK tax system as the pandemic may bring public support for tax reform.

Raising revenue seems an increasingly difficult task for government, due to the increase in number of digital businesses which are harder to tax, and the boost in the number of self-employed, who have previously been taxed less than employees. In addition to this, the ageing population in the UK and their increased reliance on health and social care means that there is more pressure on public spending, which require tax rises unless the level of service offered is reduced. Prior to the coronavirus crisis, there was no public desire to scale back public services, and, as a result of COVID-19, the public are even more likely to support higher funding levels for the NHS.

The coronavirus has added even more additional pressure, as the measures implemented by the government to support employers and employees through the outbreak will add billions of pounds to public debt, which will need to be financed. The aftermath could provide the chance to address longstanding issues and improve the way in which tax is raised and to move to a higher tax system. This requires a major tax reform, and the report has set out the main barriers that prevent reform of the tax system and the solutions which will serve to overcome those barriers.

The recommendations set out in the report are as follows:

- Clear objectives for the tax system must be set by the Prime minister and chancellor
- A tax commission should be established by the government
- The Treasury needs to raise public understanding of the requirement for tax reform
- HMRC and the Treasury need to build a stronger evidence base for tax reform
- More time needs to be spent looking at the tax system by the Treasury Select Committee (TSC)
- Tax reform measures need to be carefully packaged

Read the report in its entirety [here](#).

Back to [Contents](#)

Introduction of VAT domestic reverse charge for construction services delayed

10 June 2020

HMRC has [confirmed](#) that the planned introduction of the VAT domestic reverse charge for construction services has been delayed further from 1 October 2020 to 1 March 2021, due to the impact that coronavirus has had on the construction sector.

The change was initially due to be implemented from 1 October 2019 but was deferred for a period of 12 months, as industry bodies expressed their concerns around the lack of preparation and therefore, the potential negative impact on businesses.

There has also been an amendment to original legislation, laid in April 2019, which means that it is mandatory for businesses who are excluded from the reverse charge because they are end users or intermediary suppliers to inform their sub-contractors in writing of this fact. The rationale behind this is to ensure that both parties are aware whether the supply is excluded from the reverse charge.

The new rules relating to the domestic reverse charge mean that UK customers who get supplies of construction services must account for the VAT due on these supplies within their VAT return, and pay the VAT owed straight to HMRC, as opposed to the UK supplier. This will prevent criminals from stealing the VAT that is due to HMRC and it is hoped that the changes will work to significantly reduce fraud in the sector.

HMRC will update [reverse charge guidance](#) to accommodate the change to the implementation date and also the requirement for end users and intermediary suppliers to inform suppliers where they want to be excluded from the reverse charge.

Back to [Contents](#)

CIPP Survey: Tackling abuse within the Construction Industry

12 June 2020

To support the CIPP's written response to HMRC's consultation on potential changes to the rules to prevent tax loss from the operation of the Construction Industry Scheme (CIS), the Policy team has designed a [survey](#).

The [survey](#) aims to collect views and feedback on proposals to grant HMRC a new power to correct CIS deduction amounts claimed via Real Time Information (RTI) and on changes to existing rules, hopefully identifying any additional adjustments that could be made to tackle abuse of the CIS. The [survey](#) also asks for opinions relating to early ideas around construction supply chains.

The government recognises that most of the businesses within the construction sector meet their CIS obligations, in full and on time, however there are a minority of business that are abusing the rules by extracting cash from the tax system to falsely reduce their tax liabilities. By doing so, it allows them to gain an unfair cash-flow advantage over their competitors.

From April 2021, HMRC will have the power to correct the amount of CIS deductions claimed on a sub-contractor employer's return where they are identified as, or suspected of, claiming inaccurate amounts. Clarification on the law regarding 'material deductions' and 'deemed contractors' will also be implemented.

A new provision will be introduced which will allow HMRC to correct the CIS deduction figures on a contractor's EPS submission where there is no satisfactory evidence to support the claim.

As well as correcting the EPS figures, HMRC will prevent the employer from the offset of further CIS deductions, against their employer liabilities, for the remainder of the tax year. Consideration to continue off-setting, after a correction has been made, will be made if an employer, after the event, provides evidence to support CIS deductions suffered.

HMRC will apply interest and late payment penalties where the employer is late paying over corrected amounts. Employers will be expected to make payments which are due, on their next PAYE payment, following the correction. Payments will be due to be made on payment of PAYE following the correction.

The CIPP recognises that, particularly at present, payroll professionals are extremely busy individuals, and would really appreciate it if you could spare the time to complete the [survey](#) to feed in to the future of the operation of the CIS, and to have your say. The [survey](#) will take approximately 20 minutes to complete, and will close at 23:45 on 31 July 2020.

CIPP comment - date for your diary

The policy and research team will be hosting a virtual think tank roundtable on 6 July that will enable HMRC officials to meet with CIPP members to discuss the details of this consultations and gather views and experiences. An invitation is to be send out in the coming weeks to all full, fellow and Chartered members. But to register your interest in advance please contact the team by email to policy@cipp.org.uk

Back to [Contents](#)

PAYE Settlement Agreement – Payment Reminder

28 September 2020

Employers who have a PAYE Settlement Agreement (PSA) in place may not have received a payslip from HMRC which confirms the amount owed under their PSA arrangement for the 2019-20 tax year, however, HMRC has advised that this should not be a reason for a delayed payment.

Employers are advised not to wait for the payslip to arrive before making payments and that they should make their payment based on the values that they calculated and submitted for their PSA to HMRC. Payments relating to a PSA for the tax year 2019-20 should clear in the HMRC bank account no later than 22 October, if made electronically. Postal payments should be sent no later than 19 October. Further information on PSA deadlines can be found [here](#).

When processing the payment of a PSA, employers should ensure they quote their PSA reference number, as detailed on their PSA confirmation letter. They should not use their PAYE Accounts Office reference to make their PSA payment. The reason behind this is that payments received with the PAYE Accounts Office reference are allocated to an employer's normal PAYE account and therefore employers will continue to receive reminders for the PSA payment, even though it has been paid.

If an employer does not have their PSA reference number, or are unsure about the action to take, they should contact the PSA team on 0300 322 7077.

Employers may be fined or charged interest, or a late payment penalty, if they do not pay or their payment is late. If payments are delayed due to the current COVID-19 pandemic, HMRC will now consider this to be a reasonable excuse, however, employers will need to demonstrate how COVID-19 affected making payments on time. More details on what constitutes as a reasonable excuse can be found [here](#).

Back to [Contents](#)

PAYE and Corporate Tax receipts from the banking sector: 2020

29 September 2020

HMRC has published official statistics providing details on PAYE Income Tax and National Insurance, Corporation Tax, Bank Levy, Bank Surcharge and Bank Payroll Tax receipts from the banking sector.

The key messages drawn from the statistics show:

- PAYE, CT, Bank Levy and Bank Surcharge receipts from the banking sector were £30.7 billion in 2019-20. This is a decrease of £0.3 billion (0.9%) when compared with the previous year
- PAYE receipts from the banking sector were £21.2 billion in 2019-20, a decrease of £0.6 billion (2.7%) when compared with the previous year. This reduction is thought to be due in part to above inflation increases to the Personal Allowance and Higher Rate Threshold in this year

- Corporation Tax receipts from the banking sector were £5 billion in 2019-20, an increase of £0.3 billion (6.9%) when compared with the previous year. This increase is mainly due to a payment timing change for the largest companies, from April 2019, which brings forward their Corporation Tax quarterly instalments
- Bank Levy receipts were £2.5 billion in 2019-20, a 3.6% decrease when compared with 2018-19. This is mainly driven by year-on-year reductions in Bank Levy rates
- Bank Surcharge receipts were £2.0 billion in 2019-20, a 4.4% increase when compared with 2018-19. As with Corporation Tax, this is mainly driven by the payment timing change which also affects Bank Surcharge payments
- The Covid-19 pandemic is likely to have started to affect tax receipts towards the end of 2019-20, but the main impacts will occur in 2020-21

The full report can be read [here](#).

Back to [Contents](#)

RTI Payment codes - Reminder

3 November 2020

Use the correct codes to ensure accurate and timely processing of your PAYE remittances.

The [October Employer Bulletin](#) offers a timely reminder of the additional reference needed when sending electronic PAYE payments.

To ensure that PAYE payments are allocated correctly, you will need to make the monthly payment to the 13-digit accounts office number connected to your PAYE reference, along with the following 4-digit code.

Payment for month or quarter ended	Electronic payment due date	Use Accounts Office reference followed by the 4 numbers shown below	
		2020 to 2021	2021 to 2022
5 May	22 May	2101	2201
5 June	22 June	2102	2202
5 July	22 July	2103	2203
5 August	22 August	2104	2204
5 September	22 September	2105	2205
5 October	22 October	2106	2206
5 November	22 November	2107	2207
5 December	22 December	2108	2208
5 January	22 January	2109	2209
5 February	22 February	2110	2210
5 March	22 March	2111	2211
5 April	22 April	2112	2212

Back to [Contents](#)

Payroll Software Updates

Statutory Pay and Leave

Furloughed employees, intending to take paid parental or adoption leave, are entitled to statutory pay based on usual earnings

27 April 2020

Any workers who are planning to take paid parental or adoption leave will be entitled to pay calculated based on their normal earnings, as opposed to their pay during furlough.

The Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Work and Pensions (DWP) confirmed in a press release that full earnings will be used for Maternity Pay, Shared Parental Pay, Parental Bereavement Pay and Adoption Pay. This will ensure that any workers who are about to take family-related leave are not being penalised by the fact that they have been placed on furlough.

Ordinarily, entitlement to Statutory Maternity Pay (SMP), and other forms of Parental and Adoption Pay are calculated using an individual's Average Weekly Earnings (AWE) over an eight-week period. Entitlement to, and the amount of, Maternity Allowance (MA) that is paid out is also dictated by earnings over a 13-week period.

A statutory instrument that was laid before Parliament allows employees who take a period of family-related pay, that commences on or after 25 April 2020, to be assessed on the basis of their full, usual pay as opposed to on the furloughed amount.

The changes have been implemented to ensure that those who take time off work following the birth, adoption or death of a child will not see their entitlement to statutory pay impacted by the outbreak of coronavirus.

Paul Scully, Business Minister, commented:

“Maternity and other forms of parental leave are pivotal times in people’s lives, and they should absolutely be protected from the impacts of COVID-19.

We are supporting workers and businesses in a way never seen before, in response to the unprecedented effects of COVID-19. These measures will ensure those on the Coronavirus Job Retention Scheme continue to receive the parental leave and pay they are entitled to.”

Lords Minister for the DWP, Baroness Stedman-Scott, said:

“At an already challenging time for families, peace of mind that they can rightly take time off and receive their full entitlement will provide much needed reassurance.

Throughout this health emergency we’ve taken unprecedented steps to help those affected make ends meet, and today’s new measures further extend vital financial support.”

Back to [Contents](#)

Guidance for calculating statutory parental pay for furloughed employees

28 April 2020

HMRC has published guidance that advises employers how to calculate Average Weekly Earnings (AWE) for statutory payments for furloughed employees due to take periods of family-related leave on or after 25 April 2020.

Updates have been made to guidance relating to the calculation of [Statutory Adoption Pay \(SAP\)](#), [Statutory Maternity Pay \(SMP\)](#), [Statutory Paternity Pay \(SPP\)](#), [Statutory Shared Parental Pay \(ShPP\)](#) and [Statutory Parental Bereavement Pay \(SPBP\)](#), in instances where employees have been placed on furlough.

The fundamental difference for employees who are on furlough and commencing a period of family-related leave, who have been paid under the Coronavirus Job Retention Scheme (CJRS), is that instead of using the standard calculation for AWE, a different method should be operated. This is to ensure that those furloughed individuals taking a period of family-related leave are not penalised for being on furlough and therefore, are not negatively impacted by COVID-19.

Ordinarily, an employer would base an employee's eligibility for statutory parental payments on the average of earnings they had actually received. However, if part of the eight week period used to calculate AWE and establish eligibility and pay figures included payments that were subject to the furlough rules, and paid at 80% of normal pay, then the employer would use the higher of either:

- What the employee actually received from their employer
- What the employee would have received from their employer, if they had not been on furlough

If an employer is unsure what the employee would have received, then the guidance suggests using the reference salary originally used to determine how much an employer could claim through the CJRS. Employers should also include any payments that the employee was due to receive in the relevant period, including bonus and commission payments.

If an employer is claiming the employee's wages through the CJRS but has been topping up pay to their normal rate, and paying for that amount themselves, then there is no need to adjust the calculation for AWE. Similarly, if an employer and employee reached an agreement relating to a reduction in pay outside of the CJRS as a result of the coronavirus crisis, then no changes would be made for the purposes of calculating AWE.

Back to [Contents](#)

HMRC SP Disputes Team number updated

2 June 2020

HMRC has [updated](#) the telephone number in which employees can call to dispute the decision an employer makes when assessing if they are eligible for Statutory Payments.

The telephone number has been updated within the Statutory Sick Pay: employee fitness to work guidance, therefore, if you do not use a SSP1 document (due to it not being relevant) and issue a letter to your employees, you will need to ensure it is update with this number.

The number that should now be used whereby the employee does not agree with your decision and wishes HMRC to make a formal decision on their claim for Statutory Payments is 03003 229 422.

Back to [Contents](#)

Statutory Sick Pay (SSP)

Update to HMRC's SSP guidance to include self-isolation

3 April 2020

HMRC has updated its [guidance](#) on how to manually calculate Statutory Sick Pay (SSP) and added information on how to deal with SSP for employees self-isolating due to coronavirus (COVID-19).

The guidance confirms that, for employees who self-isolated prior to 13 March 2020, the three waiting days would still be applicable and SSP would be payable from the fourth 'qualifying day', and not from day one.

Any employees who self-isolated from 13 March 2020 onwards, would be entitled to payment of SSP from the first 'qualifying day' that they are absent from work, providing they are off for a minimum of four days in a row. The main difference is that the waiting days do not have to be served.

CIPP comment

Although the update to guidance confirms that a Period of Incapacity for Work (PIW) must be observed when paying SSP from day one of sickness in relation to self-isolation, there are still many questions that we await answers to, predominantly those that focus on the SSP reclaim scheme for employers. The CIPP will continue to alert its members to any developments in this area, via News Online and various social media platforms.

Back to [Contents](#)

Guidance on the coronavirus Statutory Sick Pay Rebate Scheme published

6 April 2020

HMRC has released [guidance](#) relating to the scheme that Chancellor, Rishi Sunak, announced at Budget 2020, which would allow small and medium sized employers to reclaim the costs of paying Statutory Sick Pay (SSP) to employees affected by COVID-19.

HMRC is working relentlessly to establish the system for reimbursement, as the existing systems are not set up to facilitate payments to employers. Details relating to when the scheme can be accessed and when employers can make claims will be announced as soon as possible.

The Coronavirus Statutory Sick Pay Rebate Scheme will repay businesses the current rate of SSP, up to a period of two weeks from the first day of sickness per eligible employee. This is only where they are absent because they either have coronavirus or cannot work because they are at home, self-isolating. This only relates to pay made to current or former employees for periods of sickness that commenced on or after 13 March 2020.

There is no requirement for employees to provide a doctor's fit note for employers to make the claim, but they should keep details of the reason that the employee could not work, the start and end dates of each period of absence and details of the SSP qualifying days when an employee could not work. Employers should also make note of the National Insurance number of all employees who received SSP payments.

Any employer can use the scheme if they are claiming for an employee who is eligible for sick pay relating to coronavirus, but not sickness for any other reason, for example, if the employee had broken their arm. The employer must have a PAYE payroll scheme that was created and started, on, or before 28 February 2020. Finally, the employer must have had fewer than 250 employees as of 28 February 2020.

In order to establish if connected companies and charities are eligible for the scheme, they will need to ensure that their total combined number of PAYE employees was fewer than 250 on or before 28 February 2020.

The scheme covers all types of employment contracts, including full and part time employees, employees on agency contracts and employees on flexible or zero-hour contracts.

HMRC will advise employers when the scheme is due to end.

Back to [Contents](#)

Latest update from HMRC – Interaction with SSP, furlough and Coronavirus Job Retention Scheme

14 April 2020

HMRC have published a further update on the rules of Furlough, the Coronavirus Job Retention Scheme and funding portal, which is due to be launched in the w/c 20 April 2020.

As with all updates this comes with the warning that guidance is subject to change so monitor the [Employer guidance](#) for the latest available information.

Interaction with absence due to illness and furlough

The latest information focuses on the subject of SSP and its interaction with furlough during periods of self-isolation, shielding and sickness.

If your employee is self-isolating or on sick leave

If your employee is on sick leave or self-isolating as a result of Coronavirus, they may be able to get Statutory Sick Pay, subject to other eligibility conditions applying. The Coronavirus Job Retention Scheme is not intended for short-term absences from work due to sickness, and there is a 3 week minimum furlough period.

Short term illness/ self-isolation should not be a consideration in deciding whether to furlough an employee. If, however, employers want to furlough employees for business reasons and they are currently off sick, they are eligible to do so, as with other employees. In these cases, the employee should no longer receive sick pay and would be classified as a furloughed employee.

Employers are also entitled to furlough employees who are being shielded or off on long-term sick leave. It is up to employers to decide whether to furlough these employees. You can claim back from both the Coronavirus Job Retention Scheme and the SSP rebate scheme for the same employee but not for the same period of time. When an employee is on furlough, you can only reclaim expenditure through the Coronavirus Job Retention Scheme, and not the SSP rebate scheme.

If a non-furloughed employee becomes ill, needs to self-isolate or be [shielded](#), then you might qualify for the SSP rebate scheme, enabling you to claim up to two weeks of SSP per employee.

If your employee becomes sick while furloughed

Furloughed employees retain their statutory rights, including their right to Statutory Sick Pay. This means that furloughed employees who become ill must be paid at least Statutory Sick Pay. 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.

If a furloughed employee who becomes sick is moved onto SSP, employers can no longer claim for the furloughed salary. Employers are required to pay SSP themselves, although may qualify for a rebate for up to 2 weeks of SSP. If employers keep the sick furloughed employee on the furloughed rate, they remain eligible to claim for these costs through the furloughed scheme.

Shielding Employees

Employees who are unable to work because they are shielding in line with [public health guidance](#) (or need to stay home with someone who is shielding) can be furloughed.

Updated guidance is also available for [employees](#).

Back to [Contents](#)

Statutory Sick Pay extended to individuals who are shielding

16 April 2020

[Regulations](#), due to come into force on 16 April 2020 mean that any person classed as extremely vulnerable and at very high risk of severe illness from coronavirus (COVID-19), and who have been advised to remain at home for at

least 12 weeks will be entitled to Statutory Sick Pay (SSP). The process is known as shielding, and the regulations mean that people are deemed as incapable of work for the period in which they are shielding.

If an individual cannot work as they are shielding due to coronavirus (COVID-19), then they will be entitled to receive SSP for every day that they are unable to work. They will be entitled to SSP from day one of sickness, in line with how SSP will be paid to those self-isolating, or absent, due to coronavirus. Individuals must, however, shield for a minimum of four days to be eligible for SSP payment from day one. Individuals must also meet the other eligibility requirements for SSP.

The changes have been made, as previously those individuals who were shielding were not entitled to SSP, and the amendments are intended as a safety net for individuals in cases where their employer opts not to furlough them under the Coronavirus Job Retention Scheme (CJRS) and does not have other suitable policies in place, e.g. allowing the individuals to work from home.

Back to [Contents](#)

The Statutory Sick Pay Rebate Scheme and state aid

27 April 2020

[Guidance](#) relating to the Statutory Sick Pay (SSP) Rebate Scheme has been updated to reflect the fact that claim amounts under the scheme should not exceed €800,000.

Employers are informed that their claim amount must not exceed the maximum €800,000 of state aid under the [EU Commission temporary framework](#). This is when combined with any other aid received under the framework. Agriculture has a lower maximum of €100,000, and the limit for aquaculture and fisheries is €120,000.

The European Commission approved a £50 billion “umbrella” UK scheme to support small and medium-sized enterprises (SMEs) and large corporates in the UK affected by the outbreak of coronavirus. More information can be found [here](#).

Payroll professionals will be familiar with state aid due to recent changes to the Employment Allowance. Only employers with a secondary Class 1 National Insurance contributions (NICs) bill of less than £100,000 in the previous tax year are eligible for the Employment Allowance as of 6 April 2020, and this means that it is reclassified as de minimis state aid.

Back to [Contents](#)

Statutory Sick Pay (SSP) Rebate Scheme launched

26 May 2020

HMRC have launched the Coronavirus rebate scheme for SME employers who have paid SSP due to coronavirus incapacity.

The Statutory Sick Pay Reclaim Scheme will be open to employers who had fewer than 250 employees at 28 February and also had an active PAYE scheme at that date.

The Coronavirus outbreak has introduced two new reasons, into the SSP regulations, for incapacity:

Self-isolation was introduced through regulations, from 13 March, where an eligible employee:

- Is showing signs of coronavirus,
- Is living with someone who has coronavirus

Shielding was brought in through regulations from 16 April and will occur where an employee has received a letter issued by the NHS, their GP or their hospital consultant informing them that they should remain shielded for a period of 12 weeks.

Employers, wishing to make a claim will need to have access to [PAYE online](#) or have authorised their agent to act on their behalf for PAYE online.

Information that is needed includes:

- Employer PAYE reference number
- Contact details i.e. name and phone number, of the person making the claim – or who can help in the event of a query
- UK bank account or building society account sort code and account number plus the name on the account and the address of account holder (that is used with that account) – where the account can receive BACS payments
- The total amount of SSP paid due to coronavirus absence to eligible employees
- Number of employees being claimed for
- Start and end date of claim

The weekly rate of SSP that will have been paid is either £94.25 up to 5 April 2020, and since 6 April 2020 is now £95.85.

The employer must keep complete records of the absences, including which days would have been qualifying days, for three years following receipt of payment. For Coronavirus absence SSP becomes payable from the first day of absence but the period of absence must be a minimum of four days.

State Aid

In making the claim the employer will be declaring that their claim will not take them over the allowable [state aid](#) limit allowed which will be €800,000. If the employer is in the agricultural sector the limit is €100,000 or the aquaculture and fisheries sector where it is €120,000.

For [guidance and to claim](#) see gov.uk.

Back to [Contents](#)

Self Isolation due to Contact Tracing notification now a reason for SSP incapacity

29 May 2020

The Department for Work and Pensions have laid a fourth set of regulations that come in to force from 28 May 2020

The [Statutory Sick Pay \(General\) \(Coronavirus Amendment\) \(No. 4\) Regulations 2020](#) apply across Great Britain (England, Wales and Scotland) and will ensure that for a person who has been advised, by a relevant notification, that they have had contact with a person who has coronavirus, and that they should stay at home and self-isolate as a result, is deemed to be incapable of work, and therefore entitled to Statutory Sick Pay.

[Guidance](#) on GOV.UK has been updated with this latest development.

CIPP comment

What has your experience been so far as you have applied to reclaim SSP, either for your employer or for your clients. The Policy and research team have so far heard only glowing reports – or at least ‘so far so good’ do you agree? Let us know at policy@cipp.org.uk

[Back to Contents](#)

Quarantine when entering, or returning to, the UK in relation to SSP

5 June 2020

Guidance provided on [gov.uk](https://www.gov.uk) stipulates that residents or visitors travelling to the UK on, or after, 8 June 2020, must disclose their journey and contact details and must also remain in the place that they are staying, for the first 14 days that they are in the UK.

To disclose journey and contact details, individuals must complete a [form](#), which cannot be submitted until 48 hours before they are due to arrive in the UK.

Once the rules are implemented, in England, individuals could be fined £100 for refusal to provide contact details and £1,000 for refusal to self-isolate, and could potentially face further action. The enforcement measures may differ in Wales, Scotland and Northern Ireland but further detail is not available at this point.

Anybody travelling to the UK prior to 8 June does not need to adhere to these requirements, but they are advised to check the [latest public health advice](#) on coronavirus before travel, or if they have just arrived in the UK.

Anybody travelling from Ireland, the Channel Islands or the Isle of Man does not need to self-isolate or provide journey and contact details if they were there for 14 days or more.

There is a reminder to everyone not to travel if they are experiencing symptoms of coronavirus.

CIPP comment

Due to the inclusion of the term ‘self-isolate’, the CIPP approached HMRC to query whether this would become a reason for Statutory Sick Pay (SSP) incapacity, and has been told that, were a person to be subject to quarantine (even if it is referred to as self-isolation), then they would not be eligible for SSP. This would be due to the fact that they wouldn’t have been advised by the NHS or other health authority to do so, and the Department of Work and Pensions (DWP) have no intentions to extend SSP to cover this scenario.

[Back to Contents](#)

The NHS Test and Trace service and its effect on pay

18 June 2020

The NHS [test and trace service](#) ensures that anyone symptomatic of coronavirus can quickly determine whether or not they have the virus, and also works to trace recent contacts of anyone who tests positive for coronavirus, and notifies them to self-isolate if necessary, to stop the spread of the virus.

The [Statutory Sick Pay \(General\) \(Coronavirus Amendment\) \(No. 4\) Regulations 2020](#) were laid to come into force from 28 May 2020, and mean that those who have been contacted via a relevant notification, and advised to stay at home and self-isolate, will be deemed as incapable of work, and therefore entitled to Statutory Sick Pay (SSP).

The public must take certain steps in order for the test and trace service to be a success, and they include:

- Individuals self-isolating if symptomatic of coronavirus along with other members of their household, and ordering a test to determine whether or not they have coronavirus

- Where individuals test positive for coronavirus, they must promptly share information about recent contacts through the NHS track and trace service, so that those people can be contacted and potentially advised to self-isolate
- If an individual has been in close contact with someone who had coronavirus, they must self-isolate if the NHS test and trace service advises them to do so

The guidance is only applicable in England, and different rules may apply in the devolved nations.

If an individual has coronavirus, they will be contacted via text message, email or phone and they will be provided with a link to the NHS test and trace website. They should then create a confidential account where they can disclose information about recent close contacts.

Contact tracers will:

- Call from 0300 013 5000
- Send text messages from 'NHStracing'
- Ask individuals to sign into the [NHS test and trace contact-tracing website](#)
- Ask for an individual's full name and date of birth to confirm their identity, and postcode to offer support while self-isolating
- Ask about the coronavirus symptoms the individual has been experiencing
- Ask individuals to provide the name, telephone number and/or email address of anyone they have had close contact with in the 2 days prior to their symptoms starting
- Ask if individuals have been in contact with anyone who is under 18, or lives outside of England

Contact tracers will never:

- Ask individuals to dial a premium rate number to speak to them (for example, those starting 09 or 087)
- Ask individuals to make any form of payment or purchase a product or any kind
- Ask for any details about an individual's bank account
- Ask for an individual's social media identities or login details, or those of their contacts
- Ask for an individual's passwords or PINs, or ask them to set up any passwords or PINs over the phone
- Disclose any of an individual's personal or medical information to their contacts
- Provide medical advice on the treatment of any potential coronavirus symptoms
- Ask individuals to download any software to their PC, or ask them to hand over control of their PC, smartphone or tablet to anyone else
- Ask an individual to access any website that does not belong to the government or NHS

Workers in self-isolation are entitled to SSP for every day that they spend in isolation, if they meet the eligibility conditions, and this is also applicable for those self-isolating due to the test and trace service.

Back to [Contents](#)

'Shielding' employees able to return to work from August

26 June 2020

Health Secretary, Matt Hancock, [confirmed](#) that any employees who have been 'shielding' as a result of COVID-19 will be able to return to work from 1 August 2020 in England.

If a worker is not able to work remotely, and social distancing measures have been implemented within their workplace, then vulnerable people who have been 'shielding' will be able to return to the office. This means that the entitlement to Statutory Sick Pay (SSP) for the purposes of shielding due to coronavirus will end. It is believed that approximately 2.2 million people have been advised to 'shield' from the rest of the public by the government since 21 March 2020.

Individuals identified as being in a vulnerable category and so at higher risk from coronavirus, such as those in a certain age bracket or those with an ongoing medical condition, will also be able to meet in groups of up to six people from 6 July 2020.

SSP entitlement for employees contacted via NHS test and trace

16 July 2020

HMRC has updated its guidance page, '[Work out your employee's Statutory Sick Pay manually](#)' to include instructions for employers in terms of how to proceed for employees who have received a notification through the NHS test and trace service, on or after 28 May 2020.

Employers should pay SSP from the first qualifying day that an employee is absent from work, as long as the full period for which they are off for is at least four days in a row. Individuals will receive a test and trace notification when they have been in contact with someone who has tested positive for coronavirus, and so will need to self-isolate accordingly.

SSP entitlement will end either after 14 days after the date of the most recent contact with the person who tested positive for COVID-19, or sooner, where specified in the notification. In these scenarios, waiting days do not have to be served.

[Back to Contents](#)

SSP and COVID-19 – Returning from holiday

28 July 2020

With employers encouraging employees to take annual leave, some of them may have opted to travel abroad, with a popular destination for people from the UK being Spain.

With the government's recent decision to impose a 14-day quarantine on travellers arriving into the UK from Spain, employers should familiarise themselves with the current [legislation](#) which will affect any employee returning from Spain after 26 July.

An employee who has returned from a country that is not on the UK's 'no self isolation requirement' [list](#) must go into quarantine for 14 days. On many sites, this is called self-isolation, however, this type of isolation differs from the rules that are applied to COVID-19 self-isolation.

Employees who are having to isolate after returning from a holiday or business trip are not entitled to SSP if they cannot work from home. If they can work from home, then they can be paid as normal. An employer can ask the employee to take additional holiday to cover this period so that the employee receives pay, alternatively, the employee will be placed on unpaid leave. Employers can choose to pay SSP to employees, however, there is no obligation to. Employers should ensure that they communicate this to employees and employees should communicate with employers so that all parties are aware of the situation before it occurs.#

Employees should be reminded that if they break quarantine rules, a fine of £1,000 can be imposed.

SSP is payable when an employee:

- Has coronavirus
- Has coronavirus symptoms, for example a high temperature, a new continuous cough, or a loss of, or change in, sense of smell or taste
- Someone in their household has coronavirus symptoms
- Has been told to 'shield' by the NHS because of an underlying health condition
- Has been told to self-isolate by a doctor or NHS 111
- Has been told to self-isolate by a government 'test and trace' service, because they've been in close contact with someone who tested positive ('NHS Test and Trace' in England, 'Test and Protect' in Scotland or 'Test, trace, protect' in Wales)

[Back to Contents](#)

Statutory Sick Pay (SSP) ends for those who are shielding due to COVID-19

4 August 2020

From the 1 August 2020, employees who previously were entitled to SSP on the grounds that they were shielding will cease.

During the peak of the pandemic, those employees who were at greater risk of contracting the COVID-19 virus were advised by health professionals and the government to 'shield' themselves, which meant that many were unable to work and had to stay at home. For those who this applied, legislation was amended so that employers could process SSP for this period with 'shielding' being a valid reason for SSP if an employee was unable to work from home. Shielding has now been paused and therefore [guidance](#) for employees who fall into this category has been amended, which means:

- They do not need to follow previous shielding advice
- Employees can go to work as long as the workplace is [Covid-secure](#), but should carry on working from home wherever possible.
- Employees should continue to wash hands carefully and more frequently than usual and that frequently touched areas in your home and/or workspace are maintained by thorough cleaning

As of 1 August, shielding employees are no longer eligible for Statutory Sick Pay (SSP) based on being advised to shield by the government. Employers should aid the transition back to work safely and support employees in maintaining good hand hygiene and distancing practice in the workplace if employees are unable to work from home and are required to return to the office.

[Back to Contents](#)

Additional reason for payment of SSP from day one

12 August 2020

HMRC [guidance](#) on the topic of Statutory Sick Pay (SSP) has been updated to reflect an additional reason for payment of SSP from day one of absence, as opposed to day four.

Where someone in an employee's 'support bubble', or 'extended household' in Scotland and Wales, starts displaying coronavirus symptoms, employers must pay SSP from the first qualifying day that they are absent from work, as opposed to the fourth day. They must be off for a minimum of four days in a row, but waiting days do not need to be served prior to payment.

This will be applicable for absences commencing from 6 July 2020 onwards. SSP is payable from day one of absence for employees who self-isolated from 13 March 2020, for those who shielded on or after 16 April 2020, and for employees contacted via test and trace from 28 May 2020 onwards.

[Back to Contents](#)

Additional reason for payment of SSP – self-isolation prior to surgery

14 September 2020

HMRC has updated [guidance](#) on the payment of Statutory Sick Pay (SSP) to confirm that it has now been extended to patients who are told that they must self-isolate prior to surgery, by a doctor or healthcare professional, and are unable to work as a result.

SSP will be payable from day one where a period of absence is four days or more. This is in line with payment of SSP to those who are sick or self-isolating due to coronavirus. If an individual is advised to self-isolate for three days prior to surgery, and cannot attend work on the day of the surgery, then they would also be eligible for SSP.

It is the intention that this will support people in adhering to both clinical and public health advice, as it will deliver financial support in the period that they are self-isolating and unable to work. Other SSP eligibility criteria still apply.

[Back to Contents](#)

Local lockdown guidance – SSP for shielding

14 September 2020

As [guidance](#) relating to the payment of Statutory Sick Pay (SSP) for individuals that are shielding maintains that, although payment for this has been paused on a national level, it is still payable for those who are shielding in an area where local lockdown has been imposed, the CIPP wanted to alert members to [guidance](#) that confirms which areas have been placed in local lockdown, and the dates that it was in place for.

The advice is that if someone who is shielding is unable to work from home, or at a location outside of the lockdown area then they may be entitled to SSP from their employer, due to the fact that they cannot work because they are shielding.

The page '[Local restrictions: areas with an outbreak of coronavirus \(COVID-19\)](#)' will help payroll professionals in establishing if SSP is payable to certain employees in certain areas, and the dates that it can be paid for. Payment of SSP for shielding on a national level was paused from 1 August 2020, so payroll teams need to be aware of this, and be particularly cautious when paying SSP for shielding after this date.

[Back to Contents](#)

HMRC webinars: Coronavirus-related measures and the Statutory Sick Pay Rebate Scheme

29 October 2020

As businesses are aware, the Coronavirus Job Retention Scheme (CJRS) is due to close on 31 October 2020, and any claims must be made on, or prior to, 30 November 2020. The Job Support Scheme (JSS) will then open on 1 November 2020, and associated claims can be submitted from 8 December 2020. In addition to this, eligible employers may be entitled to claim the Job Retention Bonus (JRB). Due to all of the changes, HMRC is running a series of webinars, designed to assist employers with the measures implemented to help them, and their employees, through the outbreak of coronavirus,

[The COVID-19 support for employers](#) is a live webinar, and will provide a roundup of the CJRS, and how to claim. It will also discuss the latest guidance on the JRB, including information on checking if employees are eligible, what can be claimed, and what can be done now to prepare. There will also be an introduction to the JSS, providing detail relating to businesses to ensure that they get the right assistance, at the right time, depending on their situation. The webinars will be updated as and when the latest information becomes available.

Monthly webinars on the topic of the [Coronavirus \(COVID-19\) Statutory Sick Pay Rebate Scheme](#) are also being hosted. These sessions will confirm:

- Who can claim
- When to start paying Statutory Sick Pay (SSP)
- Who can be claimed for
- How to make a claim

- What businesses may be entitled to
- Maintaining records

There will be the opportunity to ask questions within the on-screen text box throughout the duration of the webinars.

Back to [Contents](#)

Coronavirus Statutory Sick Pay Rebate Scheme: Update

30 October 2020

HMRC has updated its [guidance](#) in relation to the Coronavirus Statutory Sick Pay (SSP) Rebate Scheme, to confirm that employers may ask employees to provide a 'shielding note' or letter from their doctor or health authority, because employees are not required to provide a doctor's fit note in order for their employer to make a claim.

Individuals who are advised to shield are told to do so because they're at high risk of severe illness from coronavirus.

The most recent guidance on payment of SSP for shielding is that shielding is still grounds for payment of SSP in areas in which local lockdown is being imposed, but has been paused on a national level. How this translates in terms of covid risk rate tiers is not yet known but if employees are provided with a shielding note or letter then this can be sufficient grounds to pay SSP.

Back to [Contents](#)

The Statutory Sick Pay extension in Wales

10 November 2020

The Welsh Government has [announced](#) that there will be additional support for any care workers who need to refrain from working due to the fact that they either have, or suspect that they have, COVID-19, or in scenarios where they are required to self-isolate.

The Statutory Sick Pay (SSP) enhancement scheme will provide funding to enable employers to pay any eligible workers at their full rate of pay if they cannot work because of coronavirus. It is intended to erase the financial disadvantage to care workers of staying away from work, meaning that, in turn, the most vulnerable citizens will be protected. The scheme will run until 31 March 2021.

Eligibility for the scheme is dependent on a person's role, their type of employment, the reasons for their absence and the amount of sick pay they ordinarily get.

Eligible roles include:

- Employees of registered care homes (including children's homes)
- Employees of domiciliary care services
- Agency care workers or agency nurses (when undertaking work booked by a registered care home or domiciliary care service)
- Bank or pool staff when booked to undertake a series of shifts
- Contracted staff providing daily input into care homes and having substantial contact with residents (for example catering staff)
- Personal assistants paid through direct payments

Extensive information regarding eligible roles can be found [here](#).

Employees can work either full-time or part-time, work on a zero-hours, permanent or temporary contract, work from a care agency, be bank or pool staff, or be self-employed. They must be absent from work because they either have symptoms of, or test positive for, Covid-19, be self-isolating following instruction from the NHS Wales Test Trace Protect Service or be self-isolating because a member of their household is self-isolating.

They are eligible if they only receive SSP when they are off sick, or in scenarios where they are not eligible for SSP. Any individuals who already receive full pay for sickness absence are not eligible for the scheme.

SSP enhancements will not be provided in cases where somebody is absent because they have childcare or carer responsibilities, or needs to quarantine after foreign travel, or who cannot work due to being assessed as high risk using the All Wales Covid-19 workforce risk assessment tool.

Where employers and employees are eligible to participate in the scheme, there is a process to be followed. Any potential eligible employees are required to submit a brief declaration form, which confirms that they are happy for their personal data to be shared with their local authority to administer the scheme. The employee must inform their employer that they cannot work because of one of the reasons relating to Covid-19, as detailed above.

Once the SSP enhancement scheme form has been submitted, employers may pay employees their standard salary, and where hours are irregular, pay should be the average of the last eight weeks' worth of pay. The employer must then advise the local authority and provide the employee's National Insurance (NI) number, pay, the dates of absence and the reason for the absence. The local authority will then reimburse the employer accordingly.

Employers and care agencies need to:

- Advise staff of the availability of the scheme
- Issue declaration forms
- Retain declaration forms for audit and checking purposes, for a minimum of 24 months following the date of the payment
- Continue to pay employee or agency staff at full pay
- Submit claims to the local authority

The enhanced payment made to employees under the scheme is liable for tax and NI contributions, along with pension and student loan deductions.

The value of the enhanced pay is the difference between SSP (where employees are eligible) and the employee's usual full pay. For care workers not eligible for SSP, the enhanced pay will equate to 100% of their usual full pay. Organisations are reminded of their duty to comply with GDPR regulations.

Care workers could also be eligible for the Self-isolation support scheme if they are in receipt of benefits. This provides a £500 payment to individuals asked to self-isolate if they have Covid-19, or those identified as a close contact by the NHS Wales Test Trace Protect service.

Back to [Contents](#)

Data protection

Statutory Parental Bereavement Pay (SPBP) and Parental Bereavement Leave (PBL)

Statutory Parental Bereavement Pay guidance published

7 April 2020

Statutory Parental Bereavement Pay (SPBP) and Parental Bereavement Leave (PBL) were introduced at the start of the new tax year, on 6 April 2020. This provides working parents who lose a child under the age of 18, or who suffer a stillbirth after 24 weeks of pregnancy, with a new right to two weeks of leave and, for eligible employees, two weeks of pay.

HMRC and the Department for Business, Energy and Industrial Strategy (BEIS) have released a substantial amount of guidance in relation to the new entitlements, which is discussed below.

Guidance on [employee circumstances that affect payment of Statutory Parental Bereavement Pay](#)

There are a multitude of circumstances that would affect the payment of Statutory Parental Bereavement Pay. If an employee receives a backdated pay rise which increases the amount of earnings already paid in the relevant period, employers must recalculate the employee's Average Weekly Earnings (AWE) and pay any extra SPBP due, if applicable. If they weren't originally entitled to payment, then their AWE must be recalculated to establish whether or not they are now entitled to the payment.

An employee's AWE must be recalculated if all of the following apply:

- Their AWE are less than the Lower Earnings Limit (LEL) in force at the end of the relevant week
- They received any expense payments or benefits in kind in the relevant period
- The expenses or benefits were included in a PAYE settlement agreement

Where employees have entered into a salary sacrifice arrangement with their employer, their AWE should be calculated based on the amount of earnings actually paid to them. SPBP cannot be sacrificed and must be paid in its entirety.

Finally, SPBP may be available to foster carers.

Guidance on [business changes that affect payment of Statutory Parental Bereavement Pay](#)

If the Transfer of Undertakings (Protection of Employment) Regulations / TUPE Regulations 2006 apply, then the employee's length of service is unbroken. These regulations apply where:

- An employer takes over a business, part of a business or a service provision
- An employer takes on, at the same time, the contracts of employment of transferred employees

The transferor must provide 'employee liability information' which details the identities of employees being transferred with the business.

If TUPE regulations do not apply, length of service may continue when:

- A teacher in a school maintained by a local education authority moves to another school maintained by the same authority, inclusive of maintained schools, where school governors are the teacher's employer
- One corporate body takes over from another as the employer by or under an Act of Parliament
- The employer dies and their personal representative or trustees keep the employee on
- There is a change in the partners, personal representatives or trustees
- The employee moves from one employer to another and the two employers are associated at the time of the move

If continuity of employment is not broken, employees are eligible for SPBP as long as they work for their current employer and their previous employer during the 26 weeks ending with the relevant week.

If continuity of employment is broken, and the employer takes on a business after the death of a child or stillbirth, the previous employer must pay SPBP to the employee. If the employer takes on the business before the death of a child or stillbirth, the employee is not entitled to SPBP.

If an employer stops trading, they must pay any outstanding SPBP until either the employee has had their full entitlement, or where the entitlement ends for another reason.

If an employer becomes insolvent during the period of SPBP, HMRC will pay the employee's SPBP from the date of insolvency. The employer, administrator, liquidator, or similar must advise HMRC to ensure employees are paid as soon as possible. Employees should contact the Statutory Payment Disputes Team, on 03000 560530.

If an employee is made redundant, the employer will still be required to pay SPBP providing all other qualifying conditions have been satisfied.

Guidance on [how different employment types affect what is paid in Statutory Parental Bereavement Pay](#)

There is extensive information regarding how different employment types affect what is paid in SPBP including:

- Agency workers and casual / short contract employees
- Agricultural workers
- Directors
- Employees with more than one employer
- Employees with more than one job with the same employer
- Employees who work abroad
- Mariners
- NHS employees
- Supply teachers, seasonal workers or other irregular employment

HMRC and BEIS have also released [guidance on manually calculating SPBP](#)

The [tables showing relevant weeks and start dates for SPBP](#) have been published.

Back to [Contents](#)

Update to guidance on Statutory Parental Bereavement Pay

15 April 2020

HMRC has updated its guidance page on [employee circumstances that affect payment of Statutory Parental Bereavement Pay](#) to confirm that Statutory Parental Bereavement Pay (SPBP) is only eligible to employees of employers in Great Britain.

If an employee lives in Northern Ireland and has a contract of employment made under the Employment Rights (Northern Ireland) Order 1996, then they are not eligible for SPBP.

If, however, an employee lives in Northern Ireland but is employed by a company in Great Britain with a contract made under the Employment Rights Act 1996, then they may be eligible for SPBP, subject to other qualifying conditions.

The entitlement to SPBP, therefore, is currently only available to employees of employers in Great Britain, and not of employers in Northern Ireland. This is because bereavement leave is devolved in Northern Ireland. Any changes require the approval of Stormont.

From 6 April 2020, employees of employers in England, Scotland and Wales are entitled to two weeks of leave following the loss of a child under the age of 18, or a stillbirth after 24 weeks of pregnancy. Subject to length of employment and level of earnings criteria, some employees will also receive up to two weeks' worth of SPBP.

CIPP comment

The CIPP is in the process of enquiring if there are any intentions for Northern Ireland to mirror the legislation relating to parental bereavement pay and leave that has been introduced in Great Britain. Any updates will be posted in News Online.

Back to [Contents](#)

Shared Parental Leave and Pay

New survey: Proposed tool to help parents and employees navigate the Shared Parental Leave and Pay scheme

11 May 2020

The Department for Business, Energy and Industrial Strategy (BEIS) is developing a new tool which is aimed to assist parents and employees in navigating the Shared Parental Leave and Pay scheme. It is asking for employer feedback within its [employer survey](#).

It is hoped that the digital service will help prospective parents to produce a detailed plan for their shared parental pay and leave, which, historically, has had a low uptake due to its complexity. The tool will then provide a summary of the leave and statutory pay that parents can expect to take and receive.

In order to support the interaction between parents and their employers, a series of bespoke notices and declarations have been produced, and the [survey](#) asks for feedback in this area.

The [survey](#) should take approximately five – ten minutes to complete, and allows the opportunity to provide feedback on the forms and your experience of Shared Parental Leave.

CIPP comment

The CIPP are delighted to support this survey, and encourages members to complete this, and also to share with others where possible to maximise the number of responses.

If you would like to share any additional comments or feedback, please contact Samantha Mann at Policy@cipp.org.uk with 'Shared Parental Leave and Pay scheme' in the subject title.

Back to [Contents](#)

Student Loans

New Scottish Student Loan type to be introduced from April 2021

18 June 2020

An email has been circulated by HMRC's Software Developer Support Team (SDST) in relation to the creation of a new Scottish student loan Plan type.

This is due to the fact that, on 9 June 2018, an announcement was made by Scotland's First Minister, which revealed that Scotland will raise its student loan earnings threshold to £25,000 from April 2021. This will be for new and existing borrowers, who will see the repayment period reduced from 35 to 30 years, to mirror the arrangements in place in England and Wales.

The increase has made it necessary for this new Scottish student loan Plan type to be created, and from 6 April 2021, borrowers will be repaying under a new Plan type 04, if they have drawn down a student loan from Scotland. This is applicable to all new and existing Scottish borrowers, and existing Scottish borrowers in repayment before 6 April 2021 under Plan type 01 will begin to pay under Plan type 04 from 6 April 2021. Where there is a requirement to move employees from Plan type 01 to Plan type 04, employers will be notified under the current SL1 notification process. This will be completed with sufficient time for amendments to be made in time for April 2021 payroll.

From 6 April 2021, any Plan type 04 Scottish borrower repayments will be calculated at 9% of earnings that exceed the £25,000 threshold. The new plan will continue to be calculated, deducted and paid to HMRC, following the current PAYE process. Deductions will be based on NICable pay and rounding rules will follow that of existing Student Loans.

The advice for software developers is that Plan 04 will be introduced as an undergraduate plan type and should be recorded in the same fields as Plan types 01 and 02 on the Full Payment Submission (FPS). Plan 04 deductions should appear as 'student loan' on employee wage slips.

It is possible that a borrower could have more than one plan type. Employers are only required to make Student Loan deductions for only one undergraduate plan type at a time, but postgraduate loans can be taken alongside a postgraduate loan, as per the current rules.

New Starter checklists and SL1 documents will be updated to include Plan 04 but there will be no amendments to P45s or P60s, where deductions for Plan types 01, 02 and 04 will be included within the undergraduate field.

CIPP comment

The CIPP's Policy and Research team attend the [Collection of Student Loans forum \(CSL\)](#) – if you have any comments, views or opinions that you would like to share, or any feedback on any other process relating to the collection of student loans, then please contact us at Policy@cipp.org.uk.

Back to [Contents](#)

The online repayment service for Student Loans is now live

9 July 2020

The online repayment service for Student Loans has been launched on [Gov.UK](#), which will allow individuals to perform a variety of tasks in relation to their loans, in a quick and simple fashion.

The service will offer the functionality to:

- View and print copies of annual statements
- View up-to-date balance summaries for the current tax year
- Establish the interest rates attached to any student loans
- Update any personal details that need amending

In order to access their account, individuals will need their customer reference number and password. No action needs to be taken at this point in time, but the Student Finance Team wanted to make customers aware that the service is now available, and ready to use.

Annual paper statements distributed by post will be stopped, because real-time balances can be located online. However, if for any reason, anyone would still prefer to receive that paper statement then they can request this [here](#).

Back to [Contents](#)

Annual updates to Student Loans thresholds

14 August 2020

The Department for Education (DfE) has [announced](#) the annual updates to the Interest Rates and Thresholds of Income Contingent Student Loans.

From 6 April 2021, the repayment threshold for Plan 1 loans will rise to £19,985 per annum. This is for any pre-2012 loans.

The repayment threshold for Plan 2 loans will rise to £27,295 from 6 April 2021, and this is for any loans provided post-2012.

The repayment threshold for Postgraduate loans remains unchanged at £21,000 per year.

The announcement also details which interest rates will be applied to each type of loan.

The threshold is the point at which individuals will begin to repay their student loan, at a rate of 9% of eligible earnings for both Plan 1 and Plan 2, and at a rate of 6% for any postgraduate loans.

There will also be a Student Loan Plan Type 4 introduced from 6 April 2021, for those students who have drawn down a loan in Scotland.

[Back to Contents](#)

Improvements to the Student Loan repayment process

18 August 2020

The Student Loans Company's (SLC) Executive Director, Bernice McNaught, has put together an [article](#), which discusses improvements that have been made to the service for individuals who are in repayment of their student loan.

The amendments have been made over the course of the last 18 months. More frequent data sharing (MFDS) has assisted in reducing the overall number of customers who end up over-repaying on their student loan and provides current balances for any individuals who repay via PAYE. Historically, repayment information was only shared between HMRC and SLC at the end of each tax year, meaning that those repaying could not access their up-to-date balance information. It also meant that some individuals ended up over-repaying their loans. As of April 2019, SLC and HMRC began to share repayment information each week.

Those who are in the final stages of their repayment term are advised to switch to direct debit to avoid over-repaying their student loan. The SLC has been working to ensure that every person repaying their student loan knows when to switch to direct debit, but for those who do end up over-repaying, the refund process has been improved. In 2019-20, the SLC refunded £60 million to those who had over-repaid their student loans. Following on from the introduction of MFDS, the amount of over-repayments and refunds have become more aligned, with SLC receiving just over £19 million in over-repayments, but refunding almost £16 million.

In March 2020, the SLC started to offer automatic refunds for any individuals they held up-to-date information for, meaning that those who did not switch to direct debit or claim a refund would receive the money they over-repaid back. This has, to date, refunded over £4 million.

Customers are also entitled to a refund in the event that their employer mistakenly starts taking deductions before the Statutory Repayment Due Date is reached. The SLC's new [online repayment service](#) allows customers to identify this, and the SLC is investigating ways it can enhance its guidance to make it easier for the relevant individuals to request a refund.

In July 2020, the SLC launched a brand new Online Repayment Service (OLS), allowing those repaying a student loan to view their current outstanding balance. Since MFDS began, more up to date information relating to balances has been available. Previously, anyone repaying a student loan would only receive an annual statement displaying the balance of their loan which would be sent in the post.

[Back to Contents](#)

Student loans collections specification for payroll software developers updated with guidance for use from 6 April 2021

2 November 2020

HMRC has [updated](#) details relating to the technical specification on student loans for software developers working with payroll software, to include guidance that should be used from 6 April 2021.

This includes information about the additional Student Loan Plan Type – Type four that is to be implemented from 6 April 2021. This will work in the same way as the other Student Loan Plan Types (one and two), and will be calculated

at a rate of 9% of employee earnings that are subject to Class 1 National Insurance (NI) contributions above the threshold for that particular Plan Type of £25,000, for tax year 2021-22.

Employers can only operate one of Plan one, Plan two or Plan four, and must not process multiple Plans at any given time. A Postgraduate Loan, however, can be operated either on its own, or at the same time as one of the Student Loan Types (one, two or four).

An employer may be advised to start operating a Student Loan deduction in one of three ways:

- **Direct instruction by HMRC** – who will issue an SL1 start notice to instruct an employer to start operating a Student Loan (Plan one, Plan two or Plan four). The SL1 will advise which Plan Type to operate. A PGL1 start notice will be issued by HMRC to advise an employer to begin operating a Postgraduate Loan. Automatically issued SL1 and PGL1 start notices will come from HMRC when a new employment is notified, even where deductions have already commenced
- **Instruction from a P45** – The employer should enquire with the new employee as to which types of loan are being repaid, and set up a Student Loan (Plan one, Plan two or Plan four) and / or a Postgraduate Loan as advised. The Starter Checklist should support this. Where an employee is unsure of the loan type, the employer must operate Plan one, and the employee should then liaise with the Student Loan Company (SLC) to confirm the correct loan types that should be actioned on their payroll record
- **Starter Checklist** – The employer should operate the loan deductions from the information provided on the Starter Checklist

It is important to note that employees who are subject to the off-payroll working rules do not have their student loan repayments taken from them through payroll.

Back to [Contents](#)

Pensions

Automatic Enrolment

The Pensions Regulator appoints new auto-enrolment director

6 May 2020

Following the departure of Darren Ryder in early 2020, The Pensions Regulator (TPR) has confirmed, in a [press release](#), that it has appointed Mel Charles as its new director of Automatic Enrolment (AE).

Mr. Charles has worked for TPR since 2011, initially within a role primarily focussed on the design and delivery of AE. He led the 'TPR Future' programme which tailored the company's approach to regulation, resulting in it becoming 'clearer, quicker and tougher.'

Mr. Charles will be responsible for ensuring the continued long-term success of AE and he will be tasked with supporting businesses through the outbreak of coronavirus, and also through the period in which people are able to return to work. A key part of this support will be helping employers to continually meet their AE responsibilities, and to protect the millions of workers who save into a workplace pension, despite the current challenges posed by COVID-19. At present, approximately 10.3 million people are saving or newly saving into a pension as a result of AE, and over 1.6 million employers have enrolled their staff into a workplace pension.

The Chief Executive at TPR, Charles Counsell, said:

"I am extremely pleased that Mel has been appointed to lead our automatic enrolment team, particularly in these challenging times. Mel played a key part in the initial roll out of automatic enrolment which has been a huge success that we at TPR are extremely proud of."

Mel was also at the forefront of TPR's work to sharpen our approach to become the clearer, quicker, tougher regulator that we are today. I am confident his wealth of experience and skill will be invaluable in maintaining the success of AE, so that savers receive the pensions they are entitled to, now and in the future."

Mel Charles, himself, stated:

"I am very proud to be returning to TPR's automatic enrolment operation as its director, but I could never have predicted that my re-introduction would be in the incredibly difficult circumstances created by COVID-19.

Like many organisations in the UK, we are in a period of constant review and change. We will continue to make sure that our guidance and regulatory activity is proportionate as we support employers to meet their responsibilities to provide pensions for their staff.

Despite the current challenges, we must not lose sight of the fact that automatic enrolment is a long-term commitment to savers that has required the combined effort of Government, employers, pension schemes and a range of other service providers to deliver.

It is my privilege to be leading the team responsible for protecting those savers as they work towards their retirement."

Back to [Contents](#)

Concerns around no-deal Brexit and its potential effect on the Pension Protection Fund

23 June 2020

Pension experts are concerned about the effects that a no-deal Brexit could potentially have on the Pension Protection Fund (PPF). Due to the economic devastation caused by COVID-19, it is thought that many pension schemes could fall into the PPF.

Where a sponsoring employer of the arrangement is EU-based, and does not have an 'establishment' in the UK, issues could arise. The lifeboat protection is currently in place for members of certain UK defined benefit schemes but in order to be eligible, the pension scheme must have its main place of administration in the UK, which will remain unchanged with Brexit. The issue is, that the mechanism for triggering a PPF assessment period where schemes have EU-based employers could potentially be altered from January 2021, following the end of the transition period.

Clive Pugh, from Burges Salmon, commented:

"From my own experience, I would estimate around 20 percent of schemes have an overseas employer or connection. This is a major issue impacting a large number of scheme members."

A PPF expert confirmed that a no-deal Brexit will not affect the level of protection it provides to eligible UK Defined Benefit (DB) pension schemes that have a sponsoring employer registered in the UK, but the mechanism for triggering a PPF assessment period following an EU employer's insolvency could be impacted.

To put things into practice, the case of Flybe can be used. Flybe collapsed into administration in March 2020 due to the effects of coronavirus and the decreased amount of flight bookings. The pension scheme was registered in the Isle of Man which meant that members were not entitled to pension protection from the PPF.

Back to [Contents](#)

DWP Small Pots Working Group

23 September 2020

The risk of small deferred pension pots amassing was a concern raised at the very earliest stage of development of workplace pension policy and without action it is estimated that by 2035 there will be 27 million deferred pots.

The Department for Work and Pensions together with the Pensions Policy Institute (PPI) and Now: Pensions, are leading on a Small Pots Working Group that will provide an initial assessment, recommendations and an indicative roadmap of actions for industry, delivery partners and Government.

The Government continues to work with stakeholders to ensure the delivery of Pensions Dashboards, that will enable consumers to see what pension pots they have, online and in one place and the [Small Pots Working Group](#) will compliment this work and seeks to identify the priority option or combination of options to help tackle the growth of deferred, small pension pots.

A small deferred member pot arises when an employee and their employer stop contributing to the pension scheme. This may occur when an employee leaves their employment or can happen when the employee has missed the opt-out window. If the employee fails to monitor their deferred scheme, there is a risk that some small pots will be eroded to nil or be so small as to be almost worthless at the point of retirement.

Many solutions to this problem have been discussed over recent years. During the summer of 2020 the Pensions Policy Institute (PPI) published a [report](#) to detail the possible policy options that could be delivered to tackle the growing number of deferred members with small pots.

The proposals considered within the PPI report include:

- Pot follows Member
- Lifetime provider
- Same provider consolidation
- Default consolidator
- Member exchange

Automatic enrolment pensions policy has been successfully delivered by 1.7 million employers resulting in 10 million employees now engaged with pension saving. After the hard work and commitment delivered by the wider payroll profession to make this policy a success let us now work together to help make every penny saved by the employees we serve, count towards life in retirement.

CIPP comment

The CIPP policy and research team are working alongside other stakeholders on this project and have been gathering evidence from the payroll sector through surveys and discussion. Questions posed include:

- *How practical are the proposed solutions?*
- *Are there other options that could be explored?*
- *What are the main barriers to implementing solutions?*
- *How might these be overcome?*

Please contact samantha.mann@cipp.org.uk if you have any thoughts, views or experience that you wish to share.

The needs of the consumer will be at the heart of all work delivered by the Small Pots Working Group and the views of the whole payroll profession, including software developers, payroll bureaux, bookkeepers, accountants and employers are essential to ensure the right solution is taken forward.

Back to [Contents](#)

Nest - improving the customer journey

29 September 2020

Nest have planned improvements to their service in October 2020.

There will be some disruption to the system over 3 and 4 October while updates are being made.

Some changes are to help improve customer journeys and others are to make Nest easier for employers, Nest Connectors (i.e. payroll bureau etc) and workers to use.

Below is an overview of the upcoming changes:

- Paper-based evidence to support a change to an employer's organisation name will no longer be required
- The restricted time period within which to amend or correct employee details will be removed
- A 'Payment due date' column is being added to the home pages for Nest Connectors and employer delegates with consolidated accounts
- Logged in users will be able to more easily access web chat support to help managing contributions
- An updated member dashboard will help improve the member experience after login
- Changes are being made to the Nest website to create a single, navigable site experience between logged in areas, public areas and the help centre.
- Members will be able to get key updates about retirement claims and transfer requests via SMS

Back to [Contents](#)

General Pensions News

Recognised overseas pension schemes notification list

2 April 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been ten scheme names added to the list, and three removed. No amendments have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

Bitchfield Superannuation Fund
Bowler SMSF
Dinkakis SMSF
Gooden Super Fund
Hunter Lamont Superannuation Fund
LBD Superannuation Fund
Outhwaite Superannuation Fund
Raddie Superfund
Rimmer Super
U Y Thompson SMSF Super Fund

Schemes removed

Australia

Smithson Family Superannuation Fund
Snugglesbear Superannuation Fund

Guernsey

SRL Retirement Annuity Trust Scheme

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

Back to [Contents](#)

Accounting for Tax Return added onto the Managing Pension Schemes Service

2 April 2020

It has been confirmed by HMRC's Policy Impacting and Change Team that an Accounting for Tax Return function has been added on to the Managing Pension Schemes service.

This will enable any pension schemes registered through the Managing Pension Schemes service to begin to compile their Accounting for Tax return for the quarter 1 April to 30 June 2020, through the service.

Scheme administrators will have the option to save and revisit the Accounting for Tax Return once the quarter has ended and be able to submit through this service. This option will be available from 1 July 2020.

The [Managing Pension Schemes service newsletter – April 2020 - GOV.UK](#) includes further information relating to this, and relevant Gov.UK guides have been updated, including:

[Send pension scheme reports - GOV.UK](#)
[Information requirements for pension schemes - GOV.UK](#)
[Pension scheme administrators: how to pay tax - GOV.UK](#)
[Pension Schemes Online: user guide - GOV.UK](#)

The Pensions Tax Manual has also been updated accordingly.

Any schemes who are registered to use the Pension Schemes Online service will continue to submit their Accounting for Tax returns through the Pension Schemes Online service.

Back to [Contents](#)

The Pensions Regulator (TPR) reminds us that pension duties continue even during a crisis

14 April 2020

TPR have published guidance, with more due from week commencing 14 April, which aims to help employers during the coronavirus outbreak.

TPR have acknowledged how challenging a time this is for employers and have stated that they will take a proportionate and risk-based approach towards enforcement decisions, to support both employers and pension savers.

TPR have updated their [guidance](#) to cover some of the key question areas for employers, but take the opportunity to remind employers that their duties do need to continue during this time and highlight steps, that could be taken, to help ease the burden of enrolment and re-enrolment.

[Guidance](#) also addresses some of the questions that have been asked since the Coronavirus Job Retention Scheme was first announced.

The obligation for employers and staff to make contributions is set out in pension scheme's rules or other governing documentation.

Payroll processes and pension contributions

Where an employer is making a claim under the Coronavirus Job Retention Scheme (CJRS), the normal payroll process still runs as usual. Obligation for both employer and furloughed staff pension obligations remain unchanged and employers will still need to upload the contribution schedules to pension providers.

The CJRS does not require employers to make any changes to existing pension arrangements or payroll processes. The current scheme rules and contribution requirements will continue to apply.

Some employers calculate their pension contributions on a different basis and do not use banded qualifying earnings. This may be because they have chosen to certify under set 1, 2 or 3 and pension contributions are calculated from the first penny of earnings.

Where this is the case they will calculate and pay across pension contribution as normal. However, employers will also need to calculate 3% of the qualifying earnings of furloughed staff as part of the process for making the claim for the total grant under the Coronavirus Job Retention Scheme.

This is in addition to the existing pension contribution calculation in payroll, not instead of it.

TPR confirms that, whilst employers who use a Defined Contribution (DC) scheme may be able to decrease their employer contribution, they cannot legally reduce employer contributions below the statutory minimum. If this action is considered there are number of things to think about and taking appropriate legal advice is highlighted.

Employees may choose to opt out of the scheme, but the employer must not coerce or encourage their employees in any way.

Further updates to [employer guidance](#) are due from the w/c 14 April 2020.

Back to [Contents](#)

Recognised overseas pension schemes notification list

20 April 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been eight scheme names added to the list, and none removed. No amendments have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

ADNPP Super Fund
AKSU Superannuation Fund
Derek Bryan Superannuation Fund
Lloyd Superannuation Fund
Luiela SMSF
Miller Superannuation Fund
PSMON Super

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

Back to [Contents](#)

TPR guidance on calculating pension contributions where there is a salary sacrifice arrangement for the CJRS

21 April 2020

The Pensions Regulator (TPR) has published [detailed technical guidance](#), aimed primarily at larger employers, which will assist in understanding the interaction between the calculation of normal pension contributions and pension contributions that can be claimed under the Coronavirus Job Retention Scheme (CJRS). The guidance relates specifically to pension contributions where there is a salary sacrifice arrangement.

The grant available under the CJRS does not alter an employer's usual pension contribution payment obligations or processes, and when calculating the pension contribution due for a furloughed worker who has a salary sacrifice arrangement for pension contributions in place, contractual obligations and pension scheme rules will continue to apply as normal.

However, as the rules relating to the CJRS stipulate that all of the grant claimed must be paid to a furloughed worker in the form of money, this could potentially mean that, where a salary sacrifice arrangement is in place for pensions, an employer will need to amend its payroll processes to calculate the pension contribution to be paid to the pension scheme under the pension scheme rules.

Salary sacrifice arrangements are contractual agreements between staff members and their employers, where staff agree to forfeit a portion of their salary in return for a benefit, such as a pension contribution, made by the employer. Contracts of employment are amended to reflect any salary sacrifice arrangements.

In salary sacrifice arrangements, pension scheme rules usually mean that the obligation is on the employer to pay the total employee and employer contributions, however they are calculated. In many cases, the scheme rules will define pensionable pay as the notional pre-sacrifice pay. The amount the staff member sacrifices is paid across to the pension scheme as part of the overall employer contribution, and there is no obligation on the member of staff to contribute.

The amount the individual has agreed to sacrifice for pension may appear on payroll as an employee pension contribution, but it is imperative to remember that the obligation in the pension scheme rules is for the employer to pay the total contribution and under the pension scheme rules there is no requirement on the individual to pay a pension contribution.

CJRS guidance maintains that when calculating 80% of a furloughed worker's pay, the reference salary to use is the amount after the salary has been sacrificed. All of the grant received must be paid to employees in some form of money, and the pay during the furlough period should be treated as the post-sacrifice pay so no further sacrifice is made on that amount.

There is a clear distinction between what employers can reclaim through the grant and what can be paid in relation to the employee. Any contractual obligations that have been entered into must continue to apply as normal.

If, as a result of contractual arrangement, pay cannot be reduced, employers will need to continue to pay their furloughed workers full pay and calculate pension contributions and the salary sacrifice element as usual on this pay. In these scenarios, a grant can only be claimed under the CJRS to cover the lower of 80% furloughed workers pay or £2,500 per month and the employer's pension contribution up to the level of the Automatic Enrolment (AE) statutory minimum employer contribution.

The guidance provides five illustrative examples, which discuss a variety of scenarios and are each very technical in nature. It would be advisable to familiarise yourself with the guidance if you operate a salary sacrifice scheme and have placed employees on furlough.

TPR also reiterates previous guidance that COVID-19 is classed as a life event, meaning that the terms of a salary sacrifice arrangement could be changed, as long as the relevant employment contract is update accordingly with agreement, as a result of coronavirus. However, any changes made to salary sacrifice arrangement from 19 March 2020 will not affect the calculation of the reference wage for the purposes of CJRS, as the calculation is based on the furloughed worker's last pay period prior to 19 March 2020.

Back to [Contents](#)

Waspi women call for state pension access

22 April 2020

Women who were born in the 1950s, affected by the increase to the state pension age, and who are members of the group Women Against State Pension Inequality (Waspi) have urged the government to grant early access to the state pension to those affected by the COVID-19 pandemic.

The Waspi group argue that early access to the state pension for Waspi women due to reach state pension age this financial year will mean that the government does not have to support them through other measures, namely furlough payments or benefits.

They have also recommended early access to pension credit for women who are otherwise eligible. Some individuals aren't entitled to this support as their income is too low, but they cannot access other support, such as universal credit. Individuals must receive a minimum income of £144.38 a week if single, or £229.67 if in a couple to qualify for pension credit.

The Waspi group has been opposing the recent raises to the state pension age for women, which were accelerated by the Pension Act 2011. Along with fellow campaign group Backto60, they have argued that changes were unfairly implemented and gave affected individuals insufficient time to prepare, or to make alternative plans.

Both groups state that compensation should be awarded to any impacted women, but back in October 2019, the High Court rejected claims from Backto60 that the changes to state pension age were discriminatory. The group will appeal this decision in July 2020.

The [Financial Adviser](#) reported that Chrissie Lord, Waspi's campaign director, stated:

"We're increasingly concerned about the disproportionate impact the outbreak is having on 1950s born women.

Like others, many Waspi women are seeing a significant impact on their livelihoods as a result of income uncertainty and difficulties accessing affordable food and other essentials.

For women who were already in serious financial difficulty as a result of mismanagement of changes to the state pension age, the impact is huge."

Back to [Contents](#)

COVID-19 transfer warnings will be issued by pension schemes to savers

30 April 2020

The Pensions Regulator (TPR) has issued [guidance](#) which advises trustees to send Defined Benefit (DB) members, intending to move retirement funds, letters, to alert them to the risks of doing this during the outbreak of coronavirus, and to remind them to carefully consider the decision.

The letter should warn savers that a transfer from a DB to a Defined Contribution (DC) scheme is not likely to be in their best long-term interests at the current time.

Since 2015, pensions freedoms have allowed scheme members more flexibility in the ways in which they can access their pension. Last year alone, £34 billion was transferred from DB schemes, as many savers have made use of the new levels of flexibility.

TPR is acutely aware that COVID-19 is causing substantial market volatility and uncertainty for both business and personal finances and is concerned that pension members might be making rash decisions which could have negative consequences on their pensions.

The Pension Regulator's Chief Executive, Charles Counsell, said:

"We are determined to do all we can to protect savers' retirements from the unprecedented impact of COVID-19.

A decision to transfer a pension pot that's taken a lifetime to build is a very serious one and we'd urge members to be very, very careful making any transfer decisions at this time.

That's why for the foreseeable future, anyone who is looking to transfer their benefits out of their DB scheme should be sent a new warning letter to make them stop and think as well as point them towards free, impartial guidance available from The Pensions Advisory Service."

In response to the coronavirus pandemic, TPR has issued guidance to assist schemes and employers in dealing with emerging risks and has provided trustees with advice in relation to how to communicate with their members. TPR is urging trustees to take a number of steps, including:

- Highlighting the free, impartial pensions guidance from Pension Wise, including phone appointments and online information
- Encouraging members to take regulated advice to understand their retirement options
- Identifying increased risks in how a member has decided to access their pension funds, and give appropriate warnings of the risks and implications of their chosen option
- Sending all DB members requesting a cash equivalent transfer value (CETV) a template letter signed by TPR, the Financial Conduct Authority (FCA) and the Money and Pensions Service, which runs The Pensions Advisory Service
- Monitoring CETV requests and informing FCA of unusual or concerning patterns, such as spikes or the same adviser across multitude of requests

TPR is also aware of a range of pension scams which are having devastating effects for victims, who have lost, on average, £82,000 of their savings. TPR encourages trustees to follow the Pension Scams Industry Group code of good practice to help protect members and guard them against scammers.

The guidance includes steps on how to carry out due diligence and assess transfer requests. Letter templates for use when communicating with members through the transfer process are also available.

Savers should also be informed about the ScamSmart website, which will help them to protect themselves from falling victim to any pension scams.

Back to [Contents](#)

Webinar – Easing the pension pressures during COVID-19

1 May 2020

The Financial Teams to host a webinar that will hear from David Fairs of the TPR and former pensions Minister Sir Steve Webb.

[FT.com: Pensions Funding Storm](#) is being held on Friday May 1 at 3pm and will hear from David Fairs, TPR executive director of regulatory policy, Sir Steve Webb, former pensions minister and partner with actuarial firm Lane

Clark & Peacock and Judith Fish, Professional Trustee, as they take part in this free webinar to discuss the emergency measures introduced by TPR to ease COVID-19 pressures.

Register in advance via FT.com [pension event](#)

Back to [Contents](#)

The Pensions Regulator produces an Annual Funding Statement and guidance for trustees and employers

4 May 2020

The Pensions Regulator (TPR) has published a new [Annual Funding Statement](#) (AFS) and guidance, designed to assist employers and trustees through the current challenging times that everyone is facing due to COVID-19.

The AFS guides trustees and employers through how to approach valuations and scheme funding over the next year. March and April 2020 will have been particularly challenging, but the overarching message is that everyone needs to work together in order to protect the retirements of savers.

TPR's AFS is for trustees and sponsoring employers of occupational Defined Benefit (DB) pension schemes and is particularly relevant to schemes with valuation dates between 22 September 2019 and 21 September 2020. It also applies to schemes which need to evaluate their funding and risk strategies, as a result of significant ongoing changes. Focused guidance is provided on how to approach the valuation given current circumstances, and what TPR expects from both trustees and employers, but equally, what they can expect in return.

The TPR makes clear that it understands that we are currently living in unprecedented times but reminds trustees and employers that they should continue to keep focus on the long term – particularly in terms of planning and risk management. The TPR's aim is to support businesses and trustees to ensure that those individuals who are saving are protected.

The statement gives an update on some timely issues, such as COVID-19, and also on regulatory developments which will affect pension scheme management, both now and in the future.

Due to the current economic climate, and the uncertainty surrounding it, TPR may publish further guidance in the autumn.

Read the Annual Funding Statement in its entirety [here](#).

Back to [Contents](#)

Recognised overseas pension schemes notification list

5 May 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been ten scheme names added to the list, and two removed. No amendments have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

Briggs Family Retirement Fund
Hillis Super Fund
Hobbs Family Superannuation Fund
McCamley Super Fund
Raws Creative Superannuation Fund
Turners Independent Traders
Tyrrell Superannuation Fund

Ireland

APT Master Trust

Isle of Man

Adam James Turton QROPS

Jersey

Kapai Limited

Schemes removed

Australia

Walking Dog Investments SMSF

Malta

STM Harbour Retirement Scheme SICAV P.L.C

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

Back to [Contents](#)

Form P55 for tax year 2020-21

6 May 2020

HMRC has published the new [P55 repayment claim form](#) for use for the tax year 2020-21. The form P55 should be used by individuals to reclaim an overpayment of tax when they have flexibly accessed part of their pension pot. They can claim back from HMRC if they have either flexibly accessed their pension, they have taken only part of their pension and will not be taking regular payments, or if their pension body is unable to make the tax refund. Claims can be made by either using the online form, completing the form on-screen, printing it off and posting it to HMRC or printing off the form, completing it by hand and posting it to HMRC. In order to claim online, claimants will require a Government Gateway user ID and password, but if they do not have a user ID, one will be created when they claim.

For individuals who have used all of their pension pot, they should use form [P50Z](#) or, alternatively, form [P53Z](#).

The form should be completed with details of any other income that an individual expects to receive during the tax year to ensure that HMRC repay the correct tax figure. Where final figures are not known, the most accurate estimate needs to be provided, in whole numbers, and rounded down to the nearest pound.

HMRC will perform checks at the end of the tax year and contact individuals if the amount is different. Individuals should retain their pay and tax records.

Older individuals with lower incomes can call the independent charity [Tax Help for Older People](#) if they require free tax advice.

Individuals not classed as a UK resident for the purposes of tax do not need to complete the form and can either [check how to make a claim under a double taxation agreement](#) or phone the [Savings helpline](#).

Back to [Contents](#)

The Pensions Regulator urges trustees to prioritise pension switches between Defined Contribution schemes

14 May 2020

The Pensions Regulator (TPR) has advised trustees to prioritise pension switches to ensure that they are completed with sufficient time so that savers aren't penalised during the COVID-19 pandemic.

In updated [guidance](#), TPR reiterated to trustees how switches between Defined Contribution (DC) schemes are a "core financial transaction" and frequently used by savers to access their pension funds so they must remain a priority despite the outbreak of coronavirus.

Previously published guidance detailed how trustees of Defined Benefit (DB) schemes may opt to delay new member requests for transfer quotations by up to a maximum of three months, but TPR has confirmed that this isn't the case for switches between DC schemes as the valuation of benefits is far less complicated.

It is important for trustees to process switches as soon as possible, because if member's pension switches are delayed, and their investments fall in value during that crucial period, then the member's cash equivalent transfer value will be lower. Trustees must still ensure that they carry out the required due diligence prior to any switches.

TPR also reminds trustees that they should be monitoring all pension switching activity and remain particularly alert and wary of potential scams, as fraudulent activity has increased significantly throughout the COVID-19 crisis.

TPR's executive director of policy, David Fairs, said:

"The Covid-19 pandemic has created unprecedented challenges for pension schemes and their members. That's why we've been constantly reviewing and updating our guidance to support trustees and protect savers.

Our latest guidance should help trustees of DC schemes prioritise what's most important – such as ensuring DC to DC transfers are completed in a reasonable time, so savers don't lose out."

Back to [Contents](#)

Recognised overseas pension schemes notification list

18 May 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been ten scheme names added to the list, and none have been removed. No amendments have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

Elaroo Superannuation Fund
Harpenden Hargrove Super Fund
Hewitt Super Fund
Langstone Super Fund
MKA Superfund
Newman Family Super Fund
Shooter Retirement Fund
Smith9320 SMSF
Wood Family Super Fund

Belgium

Instelling voor bedrijfspensioenvoorziening Dow Belgie

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

Back to [Contents](#)

HMRC Pension Scheme Services Newsletters 118 and 119

28 May 2020

HMRC Pensions Schemes services provide timely and informative updates for stakeholders through their regular newsletters which currently contain temporary changes introduced due to COVID19 outbreak.

[Newsletter 119](#)

The [annual allowance calculator](#) has been updated to reflect the changes to threshold income, adjusted income and the minimum tapered annual allowance for the 2020 to 2021 tax year.

In recognition of difficulties being experienced by pension scheme administrators in getting the valuations they need, in order to complete their pension scheme returns, HMRC Pension Schemes Services have decided not to issue any notices to file pension schemes returns for 2019 to 2020.

Guidance in relation to [pension protection age and employment](#) (including re-employment) states that where an individual with a protected pension age between age 50 and 55 retires and takes benefits before age 55, they lose their protected pension age if they are subsequently re-employed by any of the following employers:

- any person who was a sponsoring employer in relation to the pension scheme at any time during the period of 6 months ending leading up to the individual taking benefits
- any person who is connected with any such person, or
- any person who is a sponsoring employer in relation to the pension scheme and with whom the member is connected

and none of the re-employment conditions are met.

On 22 April 2020 John Glen MP (Economic Secretary to the Treasury) made a [written ministerial statement](#) to confirm that the government has temporarily suspend tax rules that would otherwise apply significant tax charges to pension income received by recently retired individuals aged between 50 and 55. In line with this statement, if the nature of the

employment is to undertake work in relation to the COVID 19 outbreak, then HMRC accepts that the re-employment conditions have been satisfied.

Included in the [Managing pension schemes service newsletter – April 2020](#) were details of the timeline of delivery for features on the Managing registered pension schemes service. This included the features that were planned to be introduced in 2021 and 2022. Unfortunately, as a result of HMRC's response to coronavirus (COVID-19), there will be a delay to the delivery of some of the remaining features onto the service.

[Newsletter 118](#)

Pension scheme administration - moving pension recipients from one payroll to another

HMRC have updated the 'less common circumstances' section of the GOV.UK guide [paying a company pension or annuity through your payroll](#).

Will the tapered annual allowance apply to me?

Following on from the Budget announcement THMRC have provided information in the to help scheme members understand how if, and how, the taper could apply to them.

A calculation is needed of:

- net income in that tax year
- pension savings in that tax year
- threshold income in that tax year
- adjusted income in that tax year

Since 6 April 2020, scheme members will have a reduced ('tapered') annual allowance if both:

- the [threshold income](#) is over £200,000 (this was previously £110,000)
- the [adjusted income](#) is over £240,000 (this was previously £150,000)

There is no tapered annual allowance if the threshold income for that year is £200,000 or less, no matter what the adjusted income is.

If the member is subject to the tapered annual allowance, where every £2 of adjusted income goes over £240,000, the annual allowance for that year reduces by £1.

From 6 April 2020 the minimum that this can reduce to is a tapered annual allowance of £4,000.

Geographical extent UK wide but with differences acknowledged to tax regimes in Wales and Scotland

CIPP comment

The Pensions Industry Stakeholder Forum meet twice a year and recently held their April meeting by teleconference, the [minutes](#) are now published. The next meeting is to be held in October, please contact Samantha Mann, CIPP Policy and research technical lead, if you have any subjects you wish to put forward to the agenda samantha.mann@cipp.org.uk

Back to [Contents](#)

Countdown Bulletin 53

29 May 2020

The latest publication of [Countdown Bulletin issue 53](#) there includes an update on issuing the final data cuts

HMRC has recently assessed the processes to be completed to allow the issue of the final data cuts and now plan to complete the issue of the data cuts by the end of July 2020. This timeline will be dependent upon the changing departmental priorities at present.

If there are any changes to this date, they will be communicated through the another issue of Countdown Bulletin.

If there is no delay to this timeline and your scheme has not received its final data cut by the end of July, you should contact the Customer Relationship Team by email to CRM.schemereconciliationservice@hmrc.gov.uk.

HMRC will only publish final data cuts for schemes that engaged with the Scheme Reconciliation Service or have been reconciled as part of the Scheme Cessation process.

On the subject of Guaranteed Minimum Pension (GMP), HMRC are aware of issues raised by pension scheme administrators, where differences have been noted between GMP amounts provided on final data cuts and GMP output by the online GMP checker service.

HMRC advise that on receipt of final data cuts you check the GMP amounts provided against your own records. In the event you disagree the GMP amount provided in your data cut you should use the online [GMP checker service](#)

If you cannot agree the GMP output from the online checker this can be queried with HMRC by submitting a query using the template in your Live Schemes Shared Workspace eRoom.

The National Insurance Services to Pensions Industry countdown bulletins provide additional guidance for pension scheme administrators on the ending of contracting-out in April 2016, you can access [previous bulletins](#) on Gov.uk.

Back to [Contents](#)

Recognised overseas pension schemes notification list

3 June 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been 13 scheme names added to the list, and none removed. No amendments have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

AdamG Super Fund
AKB Super Fund
Bower Super Fund
BrunxTrunx Superfund
D&A Catterson SMSF
Holmes Super Fund
Jackiesloan13
Jackson Superannuation Fund
J and D Dempster-Smith Superannuation Fund
L Bispham Superannuation Fund
Moss ROPS Superannuation Fund
Woodstone Superannuation Fund

Isle of Man

Laurels SIPP

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

[Back to Contents](#)

The FCA bans contingent charging

9 June 2020

As just one of a new range of measures designed to “address weaknesses” across the Defined Benefit (DB) pension market, the [Financial Conduct Authority \(FCA\)](#) will ban contingent charging in the majority of circumstances.

The contingent charging model means that financial advisers are only paid if a client proceeds with their recommendations and transfers their DB pension following the adviser’s guidance. This differs from the practice of advisers charging upfront when providing pension advice.

Contingent charging will be banned in most scenarios, but exceptions will be applied in extreme circumstances, such as where somebody is suffering from ill-health, or is experiencing severe financial hardship.

The FCA made the announcement with the hope that the ban will “reduce conflicts of interest” that arise under the contingent charging model. It is hoped that this will encourage advisers to give the instruction for savers to “stay put” where it suits clients best.

The ban will come into effect from 1 October 2020.

Advisers will still be able to provide an abridged advice process which should help to grant consumers access to initial advice at an affordable cost. The FCA will implement proposals relating to this in due course.

The FCA confirmed that, although many firms voiced their opposition to the ban, an equal number of firms actually supported it.

[Back to Contents](#)

The Pensions Regulator updates guidance in relation to changes to the CJRS and how this will affect pension contributions

17 June 2020

The Pensions Regulator (TPR) has published updated COVID-19 [guidance](#) for employers in recognition of the fact that, from 1 July 2020, staff may be furloughed on a flexible basis, and permitted to return to work part-time for their employer. It also considers that, for claims commencing on, or after, 1 August 2020, employers no longer have the option to claim a grant for up to the statutory minimum automatic enrolment (AE) employer contribution.

For individuals who are working for some of the hours in a claim period but are also being furloughed for a proportion of hours in July 2020, employers will need to calculate the total pay, and pay this via the normal payroll process. Both employee and employer pension contributions must be calculated on this total amount of pay. To illustrate, if an employee earned £100 for hours worked and adjusted furlough pay of £50 for furloughed hours within the claim period, then £150 must be processed through payroll, and pension contributions under the employer’s pension scheme rules must be based on the full £150.

Employers will need to be aware of the amount of furlough pay that is included in the total pay for the pay period as it is only on that amount, that they may claim a grant for up to the statutory minimum employer pension contribution. To use the previous example, employers will only be able to claim a grant of up to the statutory minimum AE employer contribution on £50 as that is the amount of pay that relates to furloughed hours.

For claims starting on or after 1 August 2020, employers no longer have the option to claim for the employer pension contribution figure on furlough pay.

Employers must continue to pay employees who are on furlough the lower of 80% of their reference wage or salary, or £2,500. The government will still fund this 80% for claims relating to August, but will fund 70% in September 2020 and 60% in October 2020. Employers will be required to ensure that employee pay remains at 80%, or £2,500, if capped, so will need to contribute in September and October to bring employee pay up to 80%. Pension contributions should be calculated and paid across on the full amount of pay but employers cannot claim any of this back through the Coronavirus Job Retention Scheme (CJRS).

Employers will be required to pay more than the statutory minimum contribution if their worker is working part-time during the furlough period, for July 2020 only. Where this is the case, any contributions over the AE statutory minimum contribution will not be funded by the CJRS. Employers should, however, carry on making the correct contributions due under the scheme, and so will be required to pay a portion of the pension contribution themselves.

Back to [Contents](#)

Call for evidence launched to review the pension charge cap

29 June 2020

The Department for Work and Pensions (DWP) has launched a [Call for Evidence](#) that will review the default fund charge cap

The Department for Work and Pensions has launched a [Call for Evidence](#) that will review the default fund charge cap

This public consultation will run from 25 June to 20 August and seeks opinions as to the effectiveness of costs, charges and transparency measures in protecting pension member outcomes.

Specifically, it wants to gather views and evidence on the following:

- the level and scope of the charge cap applicable to the default arrangement within certain Defined Contribution (DC) pension schemes used for Automatic Enrolment (AE)
- the appropriateness of permitted charging structures and the extent to which they should be limited
- options to assess take-up, and widen the use of standardised cost disclosure templates

The document progresses the commitment made by government following the 2017 review of the charge cap to re-examine the scope and level of the charge cap in 2020, and to review permitted charging structures.

It asks a range of questions that consider:

- Potential changes to transaction costs
- The level of the charge cap
- Use of combination charges
- Standardised cost disclosure templates

To respond to the Call for Evidence there is an [online questionnaire](#) that can be completed. Alternatively, if you wish to submit information which cannot be provided via a web form, please send your consultation responses to by email to pensions.charges@dwp.gov.uk.

Whilst pensions policy is a reserved matter in Wales and Scotland this Call for Evidence is for Great Britain only (England, Scotland and Wales).

Geographical extent: England, Scotland and Wales

CIPP comment

If you have views that you wish the CIPP policy and research team to raise during this Call for Evidence please contact Lora Murphy policy@cipp.org.uk.

Back to [Contents](#)

Recognised overseas pension schemes notification list

2 July 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been 11 scheme names added to the list, one removed and one amended.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

AM & SJ Hirst Super Fund
Britsoft Superannuation Fund
Broons Super Fund
D & L Lanaway Family Super Fund
Inch View Retirement Super Fund
Mikesb 1965 Super Fund
Stairway to Heaven Super Fund
Super Dooper Superannuation Fund
Wakefield Super Fund

Jersey

GlenQ Overseas Pension Plan

Netherlands

Pensioenreglement uitkeringsovereenkomst Pensioenfonds PGB

Schemes removed

Australia

Locke Sinclair Retirement Fund

Schemes amended

Germany

Condor Lebensversicherung-AG

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

Back to [Contents](#)

Coronavirus pauses the government's review of the net pay anomaly

6 July 2020

At Budget 2020, it was announced that a call for evidence would be published in relation to the issue surrounding pensions tax relief administration, as per the pledge in the Conservative manifesto to review the problem.

Unfortunately, coronavirus has meant that the publication of the government's call for evidence has been delayed. As reported by [The Financial Adviser](#), Economic secretary to the Treasury, John Glen, confirmed that COVID-19 had affected the publication date of the call for evidence, and explained that the government will provide further detail "in due course". He said:

"At Budget 2020 the government announced a call for evidence will be published on pensions tax relief administration, in line with our manifesto commitment to comprehensively review this issue.

In the light of Covid-19, the government is considering the publication of this and other government documents on a case by case basis, taking into account the impact of Covid-19 on stakeholders.”

The net pay anomaly unfortunately means that lower earners aren't receiving the 20% boost on their pension contributions that they would receive if the pension scheme they saved into was operated on a relief-at source basis. It appears that only a small amount of companies use relief-at-source pension schemes, and the majority of businesses actually use net pay arrangement schemes, so the problem is a widespread one.

In the manifesto for the 2019 general election, the Conservative Party promised to fix this problem, and at Budget the government reiterated that it was “committed to reviewing options for addressing these differences.”

We await further details of when the call for evidence is due to be published and will advise members via News Online once this happens.

Back to [Contents](#)

The Pensions Regulator : Stakeholder update

7 July 2020

The Pensions Regulator (TPR) has released a new stakeholder update, to provide the latest communications, guidance, and news.

A new ScamSmart campaign has been launched by TPR, in conjunction with the Financial Conduct Authority (FCA), and its aim is to ensure that people are alert to scams, as there are certain individuals who are using the disruption caused by coronavirus as an opportunity to target the vulnerable. The pension scams campaign reminds savers to be extra vigilant and to be alert to the warning signs of scams.

TPR has also published its [Corporate plan](#), which outlines its priorities for the coming year. The plan has been adjusted to account for how the pandemic has altered the pensions landscape but still retains TPR's commitment to a clear, quick and tough approach.

The [Annual Funding Statement Analysis 2020](#) has been published which confirms the expected positions of Defined Benefit (DB) pension schemes, and valuation dates between 22 September 2019 and 21 September 2020. There are some key messages within the Annual Funding Statement that trustees and employers should understand in terms of what TPR expects of them, and there is an [infographic](#) to highlight them.

There have also been updates to the [guidance for 'gated' funds](#) which advises of the processes to be followed once gated funds re-open.

There is a reminder that TPR works to continuously update its [COVID-19 guidance hub](#), so this should be frequently revisited.

Back to [Contents](#)

The Financial Conduct Authority (FCA) – Consultation on pensions, comparing the value of money of pension products and services for members

13 July 2020

The Financial Conduct Authority (FCA) are [consulting](#) on how Independent Governance Committees (IGCs) and Governance Advisory Arrangements (GAAs) compare the value for money (VfM) of pension products and services and promote the best value for pension scheme members.

The FCA want to make it simpler for Independent Governance Committees (IGCs) and Governance Advisory Arrangements (GAAs) to compare the value for money (VfM) of pension products and services.

The IGC currently oversee the VfM of workplace personal pensions provided by firms like life insurers and some self-invested personal pension (SIPP) operators. They look to provide independent oversight of workplace personal pensions in accumulation (building up pension savings) and of the investment pathway solutions that will have to be offered from 1 February 2021. They also act for consumers who are less engaged with their pension savings.

The FCA advise that the consultation would be relevant to:

- IGCs, GAAs and their advisers
- All firms that intend to provide pathway solutions and that provide FCA-regulated workplace pension products
- Third party firms that provide GAAs
- Workplace pension scheme members and their employers
- Consumer representative groups
- Trade bodies representing financial services firms
- Charities and other organisations with an interest in the ageing population and financial services
-

The proposal of this consultation stems from the FCA's and The Pensions Regulator's (TPR) commitments for regulating pensions and retirement income. One aim of this strategy is to promote a consistent approach to assessing VfM across the pensions industry. The FCA also want to avoid firms or IGCs undertaking work which adds little consumer value, but which adds to consumers' costs.

Reponses to this consultation are now open and are required to be submitted by 24 September 2020. Reponses will need to be submitted via email to cp20-09@fca.org.uk or through an [online](#) response.

The FCA have advised that you should not submit a response via the post at this time.

CIPP comment

If you would like to raise any views or discuss this consultation with the CIPP policy and research team, please email us at policy@cipp.org.uk where we will welcome your views.

Back to [Contents](#)

Recognised overseas pension schemes notification list

16 July 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been three scheme names removed from the list.

A very welcome change is that HMRC now list the updates, as follows.

Schemes removed

Gibraltar

Whitmill QROPS

Ireland

Isle of Man

Meadowcroft Personal Pension Scheme

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

Back to [Contents](#)

The Net Pay Anomaly: Call for evidence on pensions tax relief administration

23 July 2020

The Treasury has published a [call for evidence](#) to explore the main methods of administering pensions tax relief, and to look into how improvements to processes could be made to address the anomaly that currently exists for some employees.

Background

Employers operate one of two pension scheme types in relation to auto-enrolment. One of those schemes is the Net Pay Arrangement pension (NPA). This involves deducting an employee's pension contribution from their gross pay, prior to tax deductions - the theory behind this being that it reduces the amount of tax an individual pays.

The other is the relief at source arrangement (RAS). In a scheme of this nature, pension deductions are taken from the employee's net pay - after tax deductions - which forms 80% of the contribution. The remaining 20% is claimed back by the pension scheme as tax relief from HMRC and added to the individual's pension pot.

The rationale is that both types of arrangement offer tax relief for employees on their pension contributions but unfortunately this is not the case for every single pension contributor. When an employer chooses a pension provider, the pension scheme they choose may work well for some of its employees but not for others.

The auto-enrolment threshold is for earnings above £10,000 but the current basic tax threshold is £12,500. Anybody who is earning between £10,000 and £12,500 and in a net pay arrangement pension scheme will have a full pension deduction taken from their pay but will not receive any tax benefit on this contribution as they have not earned enough to attract tax on their earnings. If they were in a relief at source arrangement, they would only have 80% of the contribution taken from their net pay which would then be topped up with 20% from HMRC and they would therefore enjoy the benefit of tax relief. It becomes apparent that something as simple as the way in which relief is claimed can have a massive impact on the pension savings of employees up and down the country.

This [call for evidence](#) was announced at Budget 2020, and reveals that the government is considering four potential methods in aligning relief at source pensions with net pay arrangement pensions. They are:

- Lower earners who are in NPA schemes will receive a bonus from HMRC, which puts them in the same position as lower earners in RAS schemes. Affected individuals would be identified by using the current end-of-year process, and HMRC would pay them with a payment to equal the basic rate of tax on their contributions
- HMRC could apply a standalone charge to recover the top-up provided to those under the RAS method. The government is opposed to this proposal, however, as it means effectively taking money from those on lower-incomes which they could be saving for their retirement
- Employers could provide two schemes for their employees – one net pay and one relief at source, but this would be on a voluntary basis as it would mean substantial amounts of work from employers, payroll and pension providers

- All Defined Contribution (DC) pension schemes must be operated on a relief at source basis, and not net pay arrangement. The government finds this to be an attractive option as it means one sole method of tax relief for DC savers.

This call for evidence is UK wide and will be of interest to:

- pension scheme administrators operating either the net pay or relief at source method of tax relief
- employers who enrol their employees into a pension
- individuals who receive pensions tax relief at a different rate to their marginal income tax rate
- pension professionals and tax professionals
- payroll administrators

CIPP comment

The CIPP is delighted to see publication of this Call for Evidence which we hope will rectify a long-standing issue. As members of the Net Pay Action Group (NPAG), we shall be submitting a joint response as well as an individual one on behalf of members. Please submit expressions of interest and comments to policy@cipp.org.uk.

Back to [Contents](#)

Managing pension schemes newsletter – July 2020

24 July 2020

HMRC has [published](#) the latest managing pension schemes newsletter, for July 2020. The aim of the newsletter is to provide an update for stakeholders in relation to the latest news on pension schemes.

The July 2020 edition includes an article which confirms that new accounting for tax features have been added to the Managing pension schemes service. This means that scheme administrators of this service now have the ability to submit an Accounting for Tax (AFT) return, make amendments to returns that they have submitted using the service, view what's changed from the previously submitted version of the return, search their returns for members, and request payment refunds or reallocations relating to AFT returns that have been submitted via the Managing pension schemes service.

In terms of submitting an AFT return, for those that have compiled and saved it for the quarter 1 April – 30 June 2020 on the Managing pension schemes service, they can now submit this return to meet the filing deadline of 14 August 2020. Once the AFT return has been submitted, administrators will receive an online notification to confirm receipt of this. There will also be the option to make amendments to any AFT returns that have been submitted through the service, if required.

From 21 July 2020, administrators are also able to compile and save new AFT returns for the quarter 1 July 2020 to 30 September 2020, and once the quarter has ended, they can, too, be submitted. More information on submitting accounting for tax returns through the Managing pension schemes service can be located in the guide, [Submit an Accounting for Tax return using the Managing pension schemes service](#). For schemes registered on the Pension Schemes Online service, the AFT will still need to be submitted through the Pension Schemes Online service and there are no amendments to the current process.

There are also articles on:

- Payments relating to accounting for tax returns submitted using the Managing pension schemes service
- Phase two timeline
- Migration of pension schemes to the Managing pension schemes service
- Signing in to online services
- How you can help
- Further help and information

Read the newsletter in its entirety [here](#).

Pensions pilot scheme – we need you to get involved

24 July 2020

In conjunction with AgeWage, the CIPP are proud to launch an innovative pensions pilot scheme and we're looking for 25 employers to volunteer to be involved from the outset.

Employers who take part will receive meaningful data about the value they, and their staff are getting from their workplace pension and it's hoped that this data will ultimately be shared with staff, in order to create a wider understanding and improved communication in an area that has historically been difficult to navigate for many.

To learn more about taking part, [click here](#).

Back to [Contents](#)

The Pensions Regulator: Latest Stakeholder update

7 August 2020

The Pensions Regulator (TPR) has published its latest Stakeholder update, which aims to provide the latest guidance, publications, and other communications.

Just a few of the items included are as follows:

Annual Report and Accounts 2019/2020

TPR's [2019-20 Annual Report and Accounts \(ARA\)](#) demonstrates how the regulator has improved industry standards and safeguarded many more schemes than ever before.

A number of key successes are listed, including:

- Direct contact with more schemes than ever, via a supervisory approach, which covers approximately two-thirds of UK memberships
- The completion of the roll out of Auto-Enrolment (AE) duties to employers – now over 10.2 million people (or 98%) of eligible job holders are in a qualifying scheme
- TPR ensured the safety of employees, and had a rapid and controlled response to the outbreak of coronavirus, in addition to providing clear guidance to the pensions industry and stakeholders to help them in dealing with the crisis
- Extended use of powers – Former charity chairman, Patrick McLarry, was handed a five-year jail sentence – the longest term ever secured by TPR. Additionally, a firm was fined £350,000 for failure to observe its AE duties
- 38 Master Trusts (MT) have been authorised, resulting in 16 million members and £38.5 million being placed in better-protected schemes
- Four regulatory initiatives have been put in place, meaning better standards in record-keeping, reducing recovery plan lengths and balancing deficit repair contributions and investment governance
- Average length of recovery plans re-submitted to TPR fell from 7.5 years to 7.1 years, and deficit repair contributions were up £11.4 billion

DB funding code of practice consultation

TPR has launched a [consultation](#), closing on 2 September 2020, which proposes how best to achieve a clearer Defined Benefit (DB) funding framework. The proposals confirm which principles should underpin the new funding framework, and how they could be practically applied.

TPR is holding a [webinar](#) on 13 August 2020 at 14:00, in which experts will discuss the proposals and answer any questions.

Trustee Round up newsletter

The latest [newsletter](#) was sent to trustees and scheme managers this week.

[Back to Contents](#)

COVID-19 pandemic makes accessible savings equally important as pensions

7 August 2020

A workplace savings specialist reveals the impact of COVID19 on the importance of savings.

A recent survey of 3,000 adults in the UK, conducted by [Cushon](#), showed that 77.5% of participants said that the recent pandemic has made them realise the significance of having savings to fall back on.

73% of those surveyed advised that whilst having a pension and saving for the future was important, having easily accessible savings is now equally as important.

Cushon, uncovered that financial strength is currently crucial with an overwhelming number of individuals realising how important it is to have a saving pot to fall back on in the event of the unexpected happening.

This finding is backed up by recent research from the [Mental Health Foundation](#) that revealed that more than a third of UK adults in full time work are concerned about losing their jobs due to the current pandemic and that more than a third of survey participants were worried about bill payments and debts.

Additional findings from Cushon's research found that 91% of employers felt that their employees had realised the importance of having a savings pot to help when unexpected events, such as Covid-19. Their survey looked at what steps employers could be undertaking to help support employees with their financial wellbeing. 84% of employers felt that financial strength is essential, and they should help their employees to construct accessible savings with 93% of employers now considering setting up a workplace savings scheme to help promote better saving habits in addition to a pension scheme.

Over 57% of employees suggested that if their employer were to set-up a workplace savings scheme, during the Covid-19 crisis, which they could pay into directly from their salary and that they could afford to, they would take up the offer.

Steve Watson, head of proposition, Cushon, said:

"Financial worries are widespread and there is so much uncertainty for many of us right now. Providing a workplace savings initiative, where employees can contribute directly from their pay packet is a great way for businesses to support financial wellbeing and help employees become more financially resilient."

"During the coronavirus lockdown many traditional perks such as gym memberships and season ticket loans have become redundant, so companies have had to think creatively about more relevant initiatives to offer their employees."

"We've seen a steady increase in companies offering workplace savings initiatives over the last couple of years as financial wellbeing has crept up the corporate agenda. But the pandemic has definitely amplified the need and as our research shows, employers are stepping up to the plate and looking to put something in place."

"Workplace savings schemes are the best way to engage employees of all ages and encourage them to save for short and long-term priorities, and employers are recognising this."

[Back to Contents](#)

LCP urges women to find out if state pension is being underpaid

7 August 2020

A recent LCP [report](#) asked: *Are tens of thousands of older women being underpaid state pension?* In response, over 160,000 people have since visited their calculator site and questions have been raised in Parliament, with several million pounds being refunded by the Department of Work and Pensions (DWP) to those women who were affected.

In a [follow up report](#) the LCP, summarises their findings since the first publication and gives detail over what needs to happen next. A vital message of the paper is to encourage a much wider group of women to come forward to check that their state pension is correct.

Under the old state pension system, married women could claim a basic state pension at 60% of the full rate based on their husband's contributions where this would be bigger than the pension they could get based on their own contributions.

From 17 March 2008, this uplift to 60% should have happened automatically, whilst before that date a married woman had to make a 'second claim' to have her state pension increased when her husband turned 65. In the LCP's initial paper, it was estimated that tens of thousands of 'post March 2008' women had not had their pension automatically increase and tens of thousands of 'pre March 2008' women had not put in a claim to have their pension increased and had therefore missed out for more than a decade.

LCP have reported that since the paper was published:

- Dozens of women have notified LCP that they have received large lump sum repayments from DWP, with the average refund a little over £9,000, but some in excess of £30,000. Based on cases notified directly to LCP or reported on the 'This is Money' website or to other publications, LCP estimate that DWP has already refunded several million pounds to hundreds of women
- DWP Ministers have urged those who think they are being underpaid to come forward, whilst the DWP press office says that the department is *'undertaking a check of its records'* to find more cases

Correspondence with the DWP has disclosed that when men turned 65 they used to be sent two pension claim forms, one for them and one for their wife, rather than DWP sending the claim form directly to the married woman herself. Based on this, it appears that the DWP's check of its records only relates to searches since March 2008. The new report produced by LCP identifies six additional groups who need to contact DWP to request a review of their state pension.

The six identified groups are:

- Married women whose husband turned 65 before 17 March 2008 and who have never claimed an uplift to the 60% rate (currently £80.45 per week in basic pension)
- Widows whose pension was not increased when their husband died
- Widows whose pension is now correct, but who think they may have been underpaid while their late husband was still alive, especially if he reached 65 after 17 March 2008
- Over 80s who are receiving a basic pension of less than £80.45, provided they satisfy a basic residence test when they turned 80
- Widowers and heirs of married women, where the woman has now died but who was underpaid state pension during her life, especially where her husband turned 65 after 17 March 2008
- Divorced women, and particularly those who divorced post-retirement, to check that they are benefiting from the contributions of their ex-husband

Commenting, Steve Webb, partner at LCP said:

"It is good news that DWP is checking its records to find married women who have been underpaid. I have no doubt that in addition to the millions which have already been refunded, this process will result in tens of millions of pounds being paid over. But this record check must be comprehensive rather than narrow. As things stand, many groups of women, including widows, divorced women and the over 80s will not get a call from the DWP, so they will have to ring up and ask for their state pension to be checked if they think they are being underpaid.

It would be far more efficient for DWP to do a comprehensive record check, including alerting women who still need to make a claim for an uplift. Without this, this issue will rumble on and on, and women will continue to miss out on the pension that is rightfully theirs".

Back to [Contents](#)

Pensions tax allowance deadline extended for NHS staff

10 August 2020

NHS employees are being granted, by the government, an extension on their pension scheme allowance liabilities for any tax bills that relate to tax year 2018-19.

In May 2020, due to the turbulence caused by the outbreak of coronavirus, the NHS Business Services Authority extended the original deadline from 31 July 2020 to 31 October 2020. NHS employees have now been granted an additional five months to submit to the voluntary NHS pension scheme, which means that the deadline now sits in March 2021.

Where employees opt to utilise the voluntary scheme, the NHS pays their annual tax allowance bill across to HMRC, which means that the members' benefits in retirement are reduced by an identical amount, removing the requirement for staff to settle any pension tax bills with cash upfront.

The NHS pensions department must be notified if employees wish to use the scheme, before the annual deadline for tax year 2019-20.

As reported by [Employee Benefits](#), a spokesperson at NHS Business Services Authority commented:

"In light of the pressures faced by NHS staff during the coronavirus pandemic, the NHS Business Services Authority is keen to support our NHS colleagues. Following careful consideration, we extended the voluntary scheme pays deadline for 2018/19 by three months until 31 October 2020. We have reviewed this extension again and extended the 2018/19 deadline until 31 March 2021."

Back to [Contents](#)

Recognised overseas pension schemes notification list

18 August 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been eight scheme names added to the list, and one amendment made. No deletions have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

B and M Kelly SMSF Super Fund
Clarke O'Reilly SMSF
H and E Nicol SMSF Super Fund
Ogangelos Super Fund
Projectability Super Fund

Guernsey

Dellinger Retirement Annuity Trust Scheme

Netherlands

Coravin Europe B.V. by Brand New Day
Westers Automatisering & Consultancy BV by Brand New Day

Scheme amendments

Gibraltar

Berkeley Retirement Benefit Scheme – amended to Two Ninety Five Retirement Benefit Scheme

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

Back to [Contents](#)

Supreme Court rules ill-health pension transfer is not liable for inheritance tax

21 August 2020

The Supreme Court has ruled that a pension transfer made in ill health was not liable for inheritance tax (IHT), six years after the case first went to court.

In its final judgment in the [Commissioners for HM Revenue and Customs v Parry and Orscase](#), the court ruled that HMRC was not right to charge IHT on the claimant's pension transfer, which was made within two years of death. Mrs Rachel Staveley, prior to her death in 2006, transferred her pension fund from a company pension under section 32 of the [Finance Act 1981](#) into a personal pension plan. If she had remained in the company pension scheme, her pension would not have attracted IHT, however, upon transferring it into a personal plan, the fund became liable for government tax.

The case, brought to the Supreme Court, found that the purpose of this transfer, prior to Mrs Staveley's death, was actioned to prevent any pension funds reverting to the business whom the private pension was held with and consequently provide funds for her divorced husband, who is a partner at the business which they had both founded.

Mrs Staveley was terminally ill with cancer at the time of the transfer and as such, HMRC treated the transfer as a transfer of value, followed by an omission to act as she did not draw any benefits in the course of her lifetime. It was decided that this transfer was not intended to reward funds to her sons, the beneficiaries primarily, but rather to avoid the funds going into the business' hands.

Despite this, the court found that the decision to neglect income benefits during Staveley's lifetime did create an increased value of the funds, however, HMRC appealed this, and the appeal was allowed.

Clare Moffat, head of intermediary development and technical at Royal London said: *"The Supreme Court decision in the Staveley case has clarified that intention is crucial when a pension transfer or switch is made in terminal ill health. Where there is an intention to give benefits which didn't exist before, such as a DB to DC transfer, it will be subject to IHT.*

"But a discretionary DC to DC switch may be completed without worry of IHT if it is for genuine commercial reasons and the beneficiaries on the expression of wish form stay the same. As always, financial advice is key."

Under current rules anyone with limited life expectancy who transfers their pension and then dies within two years could see their remaining defined contribution (DC) pot hit with a 40% tax charge. However, transfers are granted an exemption provided the transfer was not meant to provide a 'gratuitous benefit' to potential beneficiaries.

Back to [Contents](#)

£30 million in pension savings lost to scams in three years

27 August 2020

The Pensions Regulator (TPR) and the Financial Conduct Authority (FCA) have warned pension savers to ignore any unexpected pension offers that they may receive online, or over the phone.

TPR runs a ScamSmart campaign, and regularly provides [guidance](#) on how pension savers can ensure that they protect themselves from scams, and to help them to protect their money. Figures recently revealed that over £30 million has been stolen by scammers since 2017.

Pension pots both big and small are being targeted, with the amounts taken ranging from under £1,000, anywhere up to £500,000. The regulators confirmed that the average victims are males in their 50s.

Pensions Expert [reported](#) that complaints made to Action Fraud highlighted that a total of £30,857,329 has been stolen by fraudsters since 2017, but it is thought that the true figure could be much higher, as research has shown that a substantial amount of savers do not know how much they have in their pension pot.

TPR and FCA have given four recommendations to help savers to protect their money. They should:

- Reject unexpected offers – where individuals are contacted unexpectedly about their pension, there is a high risk that it could be a scam. Savers should be wary of free pension review offers. Research does, however, show that 95% of unexpected pension offers are rejected
- Clarify who they are dealing with – the [Financial Services Register](#) can be used to check whether or not anyone offering financial advice or services is FCA-authorized
- Take their time when making decisions – savers should ensure that they aren't rushed or pressured into making important financial decisions. They should make sure they complete all the checks they need to prior to making any commitments
- Seek impartial information and advice – [The Pensions Advisory Service](#), [Pension Wise](#), and financial advisers can all assist individuals in relation to their pension

Back to [Contents](#)

HMRC Pension Schemes Newsletter 123

1 September 2020

HMRC has published the latest [Pension Schemes Newsletter](#) – number 123, for August 2020, in order to update stakeholders on the latest news for pension schemes.

This edition includes articles that discuss:

- Relief at source – annual returns of information for 2019-20
- Annual return of information:
 - Interim repayments
 - Residency status reports
- Migration of pension schemes to the Managing pension schemes service
- Managing pension schemes service:
 - Multiple scheme administrator IDs
 - Multiple scheme practitioner IDs
 - Pension scheme accounting
- Annual allowance – pensions savings statements for 2019-20

Annual allowance – pensions savings statements for 2019-20

In the [previous edition](#) of the Pension Schemes Newsletter (122), scheme administrators were reminded that the deadline for providing annual allowance pensions savings statements for tax year 2019-20 is 6 October 2020.

Administrators must issue these statements:

- To scheme members who contributed more in pension savings than the annual allowance to their pension scheme
- In instances where it is believed that members have flexibly accessed their pension rights, and where their pension savings under money purchase (and where appropriate hybrid) arrangements under the scheme exceed £4,000

Where a member exceeds their annual allowance or the money purchase annual allowance across all pension schemes, and there is not sufficient unused annual allowance to carry forward from previous tax years, an annual allowance tax charge will be applicable.

More detail can be found in the [Pensions Tax Manual – PTM167100](#).

To read the articles in full, access [Pension Schemes Newsletter 123](#).

Back to [Contents](#)

Report highlights the fact that over 800,000 workers are missing out on pension contributions

1 September 2020

A [report](#) conducted into auto-enrolment enforcement by think-tank, Resolution Foundation, has highlighted the fact that over 800,000 workers who are eligible to receive a workplace pension have either not been enrolled at all by their employer, or are in receipt of contributions that are less than the minimum required level. This translates to roughly one in 20 employees.

The report raised concerns about the fact that many workers will not be aware that they are not receiving any, or the correct, pension contributions as they have no impact on their net take-home pay, and so workers may only realise there is an issue at a much later date.

The issue seems to be more prevalent for part-time and temporary workers who were over twice as likely not to be enrolled in a workplace pension than their full-time and permanent colleagues. Over one-tenth of agency workers have not been auto-enrolled.

The report highlights the fact that complete non-enrolment is 2.4 times as frequent as underpayment, and that The Pensions Regulator (TPR) has had to issue 2.8 times as many compliance notices, primarily aimed at non-enrolment, as unpaid contribution notices in 2019.

The research was conducted over a period of three-years, and explored labour market enforcement. It wanted to assess whether there are any 'under-enrolment' hotspots that need to be focused on. As a result, recommendations are being made to TPR to undertake more proactive enforcement of the auto-enrolment rules and the regulator is encouraged to act in a tougher and more speedy fashion when non-compliance is detected.

The Resolution Foundation believes that the regulator should also focus on the monitoring of small businesses, and contingent and low-paid workers. Further scrutiny should be placed on certain sectors, particularly hospitality and agriculture where non-compliance was recognised as being prevalent.

Back to [Contents](#)

Recognised overseas pension schemes notification list

3 September 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been ten scheme names added to the list. No deletions or amendments have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

Adawn Super Fund
Akiacopi Super Fund
Andrew Bernard Tooth QROPS Super Fund
Gold Coast Bound Fund
K and S Gallacher Superannuation Fund
L & A Donoghue Superannuation Fund
Park Family Superannuation Fund

Guernsey

Condor Lebensversicherungs-AG Sofort-Rente

Netherlands

Mobiquity B.V. by Brand New Day
Stichting Pensioenfonds voor de Architectenbureaus

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

Back to [Contents](#)

How The Pensions Regulator has supported businesses through the coronavirus crisis

4 September 2020

The Pensions Regulator (TPR) has published its latest [compliance and enforcement quarterly bulletin](#) which discusses cases investigated by the regulator, and, subsequently, the powers that it has used. It is intended to assist employers, advisers, trustees and administrators to understand the work of the regulator and the types of intervention it performs.

In addition to this, a press release has been issued: '[Employers continue to meet pension duties despite COVID-19 challenges](#)'. This details how TPR has supported businesses through the turmoil caused by the outbreak of coronavirus. Although COVID-19 has dramatically changed the workplace and life, more generally, it has been noted that there has not been a significant increase in the number of missed pension contributions, and that most employers are continuing to meet their automatic enrolment duties. This is regardless of the fact that temporary flexibilities resulted in a fall of 55% in the use of TPR's powers between April and June 2020, when compared to the preceding quarter. TPR used its powers for automatic enrolment breaches 15,733 times in the current quarter, as opposed to 35,174 times in the period between January and March 2020. Additionally, six times fewer Fixed Penalty Notices and five times less Escalating Penalty Notices were issued in this quarter, when compared to the previous one.

In order to assist employers through the challenges created by coronavirus, TPR introduced a number of flexibilities, which included allowing employers more time to work with their pension providers to ensure any missing pension contributions were updated, prior to taking any form of enforcement action.

TPR has, however, clarified, throughout the pandemic, that employers continue to have pension duties and that it is still monitoring compliance, acting accordingly where required. Employers who have committed serious breaches have continued to be targeted to ensure the protection of staff contributions.

As easements relating to COVID-19 are lifted, normal levels of enforcement activity are resuming. TPR is currently launching a new advertising campaign to remind employers of their continued pension duties towards their staff.

[Back to Contents](#)

From 2028, the age at which pensions can be accessed will increase from 55 to 57

7 September 2020

In a written [response](#) to Parliament, Economic Secretary, John Glen has confirmed that the government will increase the age at which people will be able to access their pensions, from the current age of 55, to 57, from 2028.

He stated:

"In 2014, the government announced it would increase the minimum pension age to 57 from 2028, reflecting trends in longevity and encouraging individuals to remain in work, while also helping to ensure pension savings provide for later life.

That announcement set out the timetable for this change well in advance to enable people to make financial plans and will be legislated for in due course."

This intention was first put forward back in 2014, but there was never any associated legislation, leading many pension professionals to ask whether the changes would ever actually happen. Current pension freedom rules, implemented in 2015, mean that individuals aged over 55 can opt how and when to draw down their pensions, but this will change from 2028.

[Back to Contents](#)

TPR forces fraudster to repay nearly £300,000 defrauded from charity's pension scheme

8 September

Patrick McLarry, a former charity boss, has been ordered to repay £286,852 to the Yately Industries for the Disabled Pension Scheme to compensate members for the sums he stole, after appearing at Salisbury Crown Court on 4 September. In addition, he was also ordered to pay £71,477 to cover legal costs incurred by [The Pensions Regulator \(TPR\)](#).

Payment for these amounts need to be made in full within three months or Mr McLarry will face an additional three-year prison and will still be required to pay the monies back into the scheme.

Erica Carroll, TPR's director of enforcement, said:

"McLarry abused his position to steal money from the scheme's members, money which was supposed to help pay for their retirement. Instead, he spent the money on himself.

He received a lengthy jail sentence for his crime and quite rightly he must now return the money he stole back to the pension scheme for the benefit of its members. If he fails to hand over the cash, he will have to serve an extra three years in jail and still have to pay up.

TPR will not flinch from using every weapon in our arsenal to tackle pension fraudsters and will continue to protect savers' retirements."

In February, the former charity boss was jailed for five years and banned from being a director for eight years.

For the duration of the period that the fraud took place, Mr McLarry was the chief executive and chairman of the charity, and a director of VerdePlanet Limited, the corporate trustee of the charity's pension scheme.

During an investigation carried out by TPR, prior to VerdePlanet being assigned, the corporate trustee had amended the scheme's conclusive deed which meant that the scheme was unable to pursue Mr McLarry for the funds that he then went on to take.

Throughout the periods between March 2012 and February 2013, he arranged for £256,127 to be transferred from the charity pension scheme into a bank account which he controlled. The court were also advised that documents were then forged to mislead TPR investigators and an attempt to conceal his wrongdoings. Vital information, such as bank statements, were withheld from TPR during the investigation, which later resulted in prosecution in April 2017.

TPR reported that he spent the cash on a home and warehouse in the south of France, along with further houses in Hartley Wintney and Hampshire. Stolen funds were also used to clear debts relating to a pub Mr McLarry had leased in Portsmouth.

Back to [Contents](#)

CIPP Survey - The Net Pay Anomaly: Call for evidence on pensions tax relief administration

10 September 2020

To support the CIPP's response to the net pay anomaly: [Call for evidence on pensions tax relief administration](#), the policy team have produced a [survey](#) to gain your views on the proposed methods to tackle this issue. The auto-enrolment threshold is for earnings above £10,000, but the current basic tax threshold is £12,500, therefore, anybody who is earning between £10,000 and £12,500, and in a net pay arrangement pension scheme will have a full pension deduction taken from their pay, but will not receive any tax benefit on this contribution as they have not earned enough to attract tax on their earnings. If they were in a relief at source arrangement, they would only have 80% of the contribution taken from their net pay, which would then be topped up with 20% from HMRC and they would therefore enjoy the benefit of tax relief.

Employees who do not earn £10,000 or above to meet the threshold for auto-enrolment but can ask to be added into a pension will also be affected. This is also true for individuals who don't reach the threshold, but in some pay periods experience a pay spike, e.g. they receive a bonus. If this pay spike pushes them into the £10,000 earnings bracket for that pay period and there are further spikes in subsequent pay periods, then contributions will be taken in line with auto-enrolment legislation but, again, there will be no tax benefit to the employee if they have not have earned enough for tax deductions to be taken.

On the other hand, in a relief at source arrangement, employees who are earning within the higher and additional tax brackets only receive a 20% top up to their pension pots from HMRC through payroll, as opposed to the 40% and 45% they are entitled to (21%, 41% or 46% in Scotland). In order to receive the extra relief due to them, these individuals need to complete a self-assessment tax return.

Many of those affected by this may not be aware of the processes they need to follow to receive the relief or may not be aware of the additional entitlement at all. Although, in an unusual twist, Scottish taxpayers on the starter rate of 19% also receive the 20% top up.

The government is concerned about the potential for a low-earning individual's take-home pay to be affected by the method of pensions tax relief operated by their pension scheme, and is keen to explore this issue further to understand what deliverable options for change may exist. This call for evidence seeks to gather evidence on the operation of both main methods of administering pensions tax relief and what improvements might be made.

Throughout the [survey](#), we will concentrate on the two main ways that an individual receives income tax relief when saving some of their earnings into a pension. We look to cover the methods proposed to tackle the anomaly, and seek

feedback from the payroll profession as to which method you believe would be most suited to tackle the anomaly and how each proposed method would affect your pension administration processes.

The policy team appreciate how busy payrollers are at present, therefore, we really appreciate your feedback on this important issue. To have your say, please complete our [survey](#) which takes around 20 minutes to complete by clicking [here](#).

Back to [Contents](#)

Court of Appeal dismisses state pension age challenge

16 September 2020

Julie Delve, 62 and Karen Glynn, 63, took to the Court of Appeal to contest the increase of the state pension age for women from 60 to 66. However, the appeal has been [unanimously dismissed](#) by the court, but associated campaign groups have vowed that they will take the case to the Supreme Court, and that their fight is not yet over.

Roughly four million women who were born in the 1950s have been impacted by the change which has been taken by previous governments, in an attempt to secure “pension age equalisation”. Delve and Glynn stated that they have been unlawfully discriminated against by the Department for Work and Pensions (DWP) by the fact that they have been forced to wait for their state pensions.

In dismissing the appeal, judges on the case found that governments had taken the appropriate steps to notify any individuals affected by the change, and were allowed to focus on an issue of the “highest economic and social importance.”

In discussion of the High Court dismissing the first challenge, it was observed that it was “entitled to conclude on the evidence that the publicity campaign implemented by the DWP had been adequate and reasonable.”

Campaign group BackTo60 backed Delve and Glynn, and argued discrimination on the basis of both age and sex. Delve believed she would receive her state pension back in 2018 at the age of 60, but, following the changes, she will now not receive it until 2024.

Back to [Contents](#)

Recognised overseas pension schemes notification list

17 September 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been nine scheme names added to the list, and two scheme names removed. No amendments have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

Denise Ridgway Superannuation Fund
Dunne Haste Family Super Fund
I McCrum SMSF Super Fund
MG Moore Superannuation Fund
Moss Retirement Superannuation Fund

Osborne Pension Fund
R G Superannuation Fund
Wilson Super Fund

Isle of Man

Harnett Personal Pension Scheme

Schemes removed

Isle of Man

J & C Personal Pension Scheme

Netherlands

Stichting Pensioenfonds Flexsecurity

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#)

Back to [Contents](#)

Reminder – CIPP Survey – The Net Pay Anomaly: Call for evidence on pensions tax relief administration

18 September 2020

There's still time for you to respond to the [survey](#) that the CIPP's Policy and Research team have published, in order to collate the views of members and incorporate them into our formal response to the net pay anomaly: [call for evidence on pensions tax relief administration](#).

The [survey](#) focuses on the issue that arises for individuals who earn above £10,000, so over the auto-enrolment threshold, but below the current basic tax threshold of £12,500. In a net pay arrangement pension scheme, they will have a full pension deduction taken from their pay, without receiving any tax benefit on this contribution as they have not earned enough for tax to be applied to their earnings. If an individual is in a relief at source arrangement, however, they would only have 80% of the contribution deducted from their net pay, which would subsequently be topped up with 20% from HMRC, meaning that they would enjoy the benefit of tax relief.

The government is concerned about the possible impact of this on a low-earning individual's take-home pay, based on the method of pensions tax relief that is operated by the pension scheme that they are enrolled in. Intentions for the government to look into this were made clear in the [Conservative manifesto 2019](#), which stated:

"A number of workers, disproportionately women, who earn between £10,000 and £12,500 have been missing out on pension benefits because of a loophole affecting people with net pay pension schemes. We will conduct a comprehensive review to look at how to fix this issue."

The call for evidence aims to discuss improvements that can be made to the methods of administering pensions tax relief. Within the [survey](#), we ask for your feedback on the government's proposed methods of fixing the pensions anomaly issue. This is an important topic for payroll and pension professionals to have their say on, so although we understand you are all very busy, we would really appreciate any time you can dedicate to respond to the [survey](#). It should take approximately 20 minutes to complete, and the [survey](#) will be open until 30 September 2020.

Back to [Contents](#)

The Pensions Regulator updates COVID-19 guidance

18 September 2020

As life begins to return to some form of normality following the disruption caused by coronavirus, The Pensions Regulator (TPR) has issued a [press release](#) to highlight to pension schemes the fact that it is returning to its normal reporting and enforcement measures.

Updated [guidance](#) has also been made available, and the main areas for consideration are as follows:

- In response to the outbreak of COVID-19, TPR extended the period in which Defined Contribution (DC) pension schemes and trustees had to report any late contribution payments. The temporary extension took the period from 90 days up to 150. This was to provide support to any employers struggling to bring late or missing payments up to date, by allowing them more time to work with pension providers, prior to any enforcement action being taken
- Guidance, which is due to be reviewed alongside other COVID-19 guidance in September 2020, ensures that, as of 1 January 2021, DC schemes and providers will be asked to revert to the previous practice of reporting late contribution payments within 90 days of their due date. This will become mandatory from 1 April 2021
- TPR has maintained throughout the duration of the pandemic that employers must continue making contributions in full, and on time. The extension of the deadline in which to report late payments was introduced in recognition of the pressure on employers in terms of TPR's approach to enforcement
- From 1 October 2020, other types of enforcement will begin to return to normal on the levy side. Schemes will be required to submit audited accounts and investment statement reviews. TPR also intends to return to reviewing chairs' statements submitted from that date onwards, as usual. These requirements were temporarily eased by TPR to allow trustees to focus on the imminent risks that the pandemic posed to their schemes. TPR will continue to take a risk-based, proportionate approach to any enforcement decisions

The full press release can be located [here](#).

Back to [Contents](#)

TISA launches proposals to overhaul Auto-Enrolment as part of 'Getting Retirement Right'

23 September 2020

The Investing and Saving Alliance (TISA) has published [four additional proposals](#) in relation to changes to Auto-Enrolment (AE), which would see individuals earning below £17,500 being given the option to opt out from their own AE contribution, whilst still receiving their employer's contribution.

It is hoped that this would help those that are financially insecure, and the proposals have been made in conjunction with some of the major pension and investment firms. TISA is running a 'Getting Retirement Right' scheme, which aims to ensure that everybody has the opportunity to plan, prepare and ultimately, enjoy their pensions and retirement. The main proposal would mean that those who are less financially secure are less likely to have to deal with escalating debt levels or forfeiting household essentials in order to remain in a workplace pension, but that employers would still be required to contribute.

Extensive research in this area highlights the fact that those who are lower earners struggle to pay their personal contributions, but do not opt out, indicating that these individuals rely on increasing levels of personal debt instead. The Department for Work and Pensions (DWP) defines 'low pay' as 60% of national median earnings. Figures from the Office for National Statistics (ONS) show that the median household disposable income for the tax year ending 2019 was £29,400, and 60% of this is £17,500. This is the basis for the figure under which individuals would be able to opt out of personal pension contributions, but still receive the employer's element. This threshold would be reviewed on a yearly basis.

At present, AE contributions amount to 8% of qualified earnings, 5% of which comes from the employee and 3% that is contributed by the employer. In February 2020, an [initial research paper](#) was published, which found that, for a median earning household, a contribution level of 12% of whole salary would be required in order for families to achieve a moderate retirement, when added to full state pensions. Newer proposals recommend that the 12% should be shared

equally between employee and employer, and phased in over a six-year period, at a rate of 0.5% per year, starting in 2023.

In line with the Net Pay Action Group, in relation to the net pay anomaly, an issue which affects the lowest earners, TISA is recommending that the issue is resolved by HMRC at the end of the tax year using Real Time Information (RTI) data. This would mean that any of those individuals who are impacted will receive a bonus to the amount of the tax relief they would have received had they been in a relief at source scheme.

The Head of Retirement at TISA, Renny Biggins, said:

“We are pleased to present phase two of the campaign which sets out our proposals to progress AE and ensure that everybody has the opportunity to save for their futures. AE has been a bigger success than anyone could have imagined but, nearly 10 years on from its inception, changes need to be made to ensure it continues to develop and serve hard working people in the UK.

Research has shown that opt out levels have remained consistently low, lower than predicted, which is excellent news but may also have a detrimental impact on the lowest earners. This could result in levels of debt reaching unsustainable levels, yet it is also vital people are saving for their futures.

We hope to continue working closely with the Government to realise these proposals, most notably to protect the lowest earners and to ensure contributions reach the necessary 12% of pensionable salary for the majority, which will allow people and households to retire on a moderate income as set by the PLSA Retirement Standards.”

The full set of proposals laid out in Phase Two of ‘Getting Retirement Right’ are as follows:

- The 12% level of contribution proposed in the ‘Getting Retirement Right’ research should be split equally between the employer and employee
- To recognise the financial impact on employers and employees, the increases should be phased in over a period of six years at a rate of 0.5% per year, and should commence the year after the proposed mid-2020 proposals have been fully implemented (which were proposed by 2022 in part 1) – 2023 and complete in 2028
- To introduce an additional personal contribution ‘opt out’ option linked to earnings, to recognise that flexibility is needed with the AE framework to cater for lower earners
- Resolve the Net Pay Anomaly through an HMRC reconciliation process using RTI data

CIPP comment

The CIPP’s Policy and research team is currently running a [survey](#), which looks at possible solutions to the net pay anomaly, which have been proposed by the government. We will be submitting a full, formal response to the [call for evidence](#) that the Treasury has published and want to incorporate the views of payroll professionals, some of which will be gleaned from the [survey](#). We will also be hosting a think tank roundtable, so any full, fellow and chartered members should keep their eyes peeled for an invite, which will be sent shortly. Ahead of this, expressions of interest should be sent to Policy@cipp.org.uk.

Back to [Contents](#)

Final Reminder – CIPP Survey – The Net Pay Anomaly: Call for evidence on pensions tax relief administration

24 September 2020

There’s still time for you to respond to the [survey](#) that the CIPP’s Policy and Research team have published, in order to collate the views of members and incorporate them into our formal response to the net pay anomaly: [call for evidence on pensions tax relief administration](#).

The [survey](#) focuses on the issue that arises for individuals who earn above £10,000, so over the auto-enrolment threshold, but below the current basic tax threshold of £12,500. In a net pay arrangement pension scheme, they will

have a full pension deduction taken from their pay, without receiving any tax benefit on this contribution as they have not earned enough for tax to be applied to their earnings. If an individual is in a relief at source arrangement, however, they would only have 80% of the contribution deducted from their net pay, which would subsequently be topped up with 20% from HMRC, meaning that they would enjoy the benefit of tax relief.

The government is concerned about the possible impact of this on a low-earning individual's take-home pay, based on the method of pensions tax relief that is operated by the pension scheme that they are enrolled in. Intentions for the government to look into this were made clear in the [Conservative manifesto 2019](#), which stated:

“A number of workers, disproportionately women, who earn between £10,000 and £12,500 have been missing out on pension benefits because of a loophole affecting people with net pay pension schemes. We will conduct a comprehensive review to look at how to fix this issue.”

The call for evidence aims to discuss improvements that can be made to the methods of administering pensions tax relief. Within the [survey](#), we ask for your feedback on the government's proposed methods of fixing the pensions anomaly issue. This is an important topic for payroll and pension professionals to have their say on, so although we understand you are all very busy, we would really appreciate any time you can dedicate to respond to the [survey](#). It should take approximately 20 minutes to complete, and the [survey](#) will be open until 30 September 2020.

[Back to Contents](#)

State pension will still be subject to ‘triple lock’ increase for 2021-22

24 September 2020

The government has introduced a [Bill into Parliament](#) which ensures that the state pension will increase in tax year 2020-21, and that the ‘triple lock’ will be maintained.

The ‘triple lock’ means that, where earnings increase, the state pension will increase by whichever is highest of the following:

- Price inflation
- Earnings growth
- 2.5%

A technical detail within current rules means that if earnings growth is negative, then the state pension will not increase, regardless of price inflation, which would also mean that the 2.5% increase would not be applied. The new Bill has been drawn up to ensure that this detail does not lead to a freeze on the amount of state pension that is made available next tax year, as it is predicted that earnings growth will be negative, as a result of the coronavirus crisis and employees being placed on furlough only receiving 80% of their standard pay.

The fact that the ‘triple lock’ has not been scrapped is in line with one of the key manifesto pledges of the Conservative party's 2019 manifesto, which stated:

“On entering Government in 2010, the Conservatives acted decisively to protect the UK's pensioners. The ‘triple lock’ we introduced has meant that those who have worked hard and put in for decades can be confident that the state will be there to support them when they need it. We will keep the triple lock..... ensuring that older people have the security and dignity they deserve.”

Recently, speculation has been rife that Chancellor, Rishi Sunak, was intending to get rid of the ‘triple lock’ due to worries that it would soon become unaffordable, and unrealistic to offer. The introduction of the Bill today confirms that there are no such plans at this moment in time.

[Back to Contents](#)

HMRC Pension Schemes Newsletter 124

1 October 2020

HMRC has published the latest [Pension Schemes Newsletter](#) – number 124, for September 2020, in order to update stakeholders on the latest news for pension schemes.

This edition includes articles that discuss:

- The extension to temporary changes to pension processes as a result of coronavirus
- Re-employment in response to the coronavirus outbreak
- Relief at source and suspension of the process for applying for a National Insurance (NI) number
- Relief at source annual return of information – notification of residency status reports
- Call for evidence: Pensions Tax Relief Administration
- Managing Pension Schemes service - schemes without Pension Scheme Tax References (PSTRs)
- Managing Pension Schemes service - signing in to online services

The extension to temporary changes to pension processes as a result of coronavirus

In previous newsletters, HMRC has advised of some of the temporary changes that have been made to certain pension processes, in order to assist scheme administrators through the turbulent circumstances caused by coronavirus. It has now been confirmed that the temporary changes will be extended to 31 March 2021. The processes relate to:

- Rent and loan payment holidays
- R63N repayment requests for registered pension schemes
- AFT return submission and payment delays
- APSS262 – reporting transfers to qualifying recognised overseas pension schemes
- Pension scheme returns for 2019 to 2020
- Benefits crystallisation event 1 and valuing sums and assets held within a registered pension scheme
- Other scheme valuations
- APSS105 relief at source repayment claims
- APSS106 relief at source repayment claims
- Submitting the APSS107 registered pension schemes annual statistical return without a signature
- APSS590 relief at source declaration
- Relief at source – excess relief

Any further changes will be communicated through pension schemes newsletters, and more information on the temporary changes can be located in Pension Schemes Newsletter editions [118](#), [119](#), [120](#) and [121](#).

Re-employment in response to the coronavirus outbreak

HMRC confirmed, in [Pension Schemes Newsletter 120](#), that the protected pension age easement has been extended up until 1 November 2020. The current advice is that they can't provide an update on this easement at this point in time, but as soon as it can, it will update stakeholders via pension scheme newsletters.

The easement allows those who have retired, but returned to work as a result of coronavirus, to retain their protected pension age even where they are re-employed in the same job. They will also not be subject to an unauthorised payment charge.

Read all of the articles in full [here](#).

Back to [Contents](#)

Government dismisses recommendation to evaluate impact of pension tax reliefs within next year

1 October 2020

The Government has confirmed that it will not conduct a review into the impact of pension tax relief within the next 12 months, even though MPs have encouraged this, due to the associated £38 billion cost in tax year 2018-19.

The Public Accounts Committee released a [report](#) on the management of tax reliefs, which included a recommendation for HMRC to evaluate the effect of pension tax reliefs within a 12-month deadline. The Government dismissed this recommendation, despite concerns around the monumental cost that was incurred in 2018-19.

The Treasury confirmed that it has already published a number of consultations on the topic of pensions tax relief over the course of the past few years, including an ongoing call for evidence on how it should be administered, which was launched in July 2020. It stated that these consultations were instrumental in collating views, evidence, and feedback on the effects of the relief and the impact that making any changes would have. There was confirmation, however, that it would continue to explore the tax system and identify other areas that need to be scrutinised.

The Financial Adviser [reported](#) that the Treasury had stated:

“Responses to the 2015 wide-ranging consultation on pensions tax relief indicated there was no clear consensus for reform at that time, and so at Budget 2016 the then government announced it would not make fundamental reform to pensions tax reliefs at that stage.”

Chancellor Rishi Sunak’s predecessor, Sajid Javid, is reported to have been contemplating cutting the relief for higher earners to 20%, so amendments to pensions tax relief have been on the horizon for some time.

Various debates have also been ignited that introduce a 30% flat rate of tax relief, and proposals to completely rehaul the system and provide relief at the point of withdrawal, as opposed to at the point of saving.

[Back to Contents](#)

The list of Recognised Overseas Pensions Schemes (ROPS) notifications has been updated.

5 October 2020

The [list is of schemes](#) that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been 47 scheme names added to the list, and two scheme names removed. No amendments have been cited in this update.

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

[Back to Contents](#)

HMRC webinars – Off-Payroll working and Avoiding Saver Scams

5 October 2020

HMRC has advised that they have scheduled further Talking Points webinars.

In the coming weeks you can book onto webinars on the subject of protecting against saver scams and a reawakening on the subject of Off-payroll working reforms which are to be implemented from April 2021.

There are a limited number of spaces therefore to avoid disappointment secure your place now.

How you can help savers avoid scams - [Monday 12 October 11.15am to 12.15pm](#)

This webinar will provide information on pension scams, how they are operated, who is at risk and how to recognise the warning signs. During the current pandemic, there have been an increase in reports of such scams, therefore the information provided could be invaluable.

Off-payroll working rules from April 2021 - [Choose a date and time](#)

This webinar aims to give an update to changes to the off-payroll working rules from April 2021 for the public sector and medium and large sized organisations. This measure was due to be implemented in April 2020, however, due to the current pandemic, it was postponed until April 2021. Through recent polls posed by the policy and research team, some organisations are still not ready for this to go ahead, even with the 12-month delay. This webinar will provide the essential information required to understand the changes to the rules.

Back to [Contents](#)

From 6 October 2020, you must be 66 or over to claim the state pension – what is the correlation between state pension age and employment rates?

6 October 2020

In order to claim the state pension, from 6 October 2020, individuals must have reached their 66th birthday. Anybody below that age, from that date, will not be able to access it.

The State Pension Age (SPA) for women has increased from 60, back in March 2010, to 65, in October 2018, but from 6 October 2020, both men and women must be 66 prior to being granted access to their state pension.

The Institute for Fiscal Studies (IFS) has released a [report](#), which observes the changes in state pension age and how that has affected rates of employment. It also looks at the fact that, from 2026, more changes will take place, and the state pension age will increase from 66 to 67, over a period of two years, which will impact anyone born in, or after, April 1960. Due to the fact that employment rates have increased over the course of the last ten years, the reform could potentially push up the employment rates of 66-year olds in the future.

Research that has been carried out in the past highlights the fact that the increase in the state pension age from 60 to 62 for women actually led to an additional 6 in 100 women aged between 60 and 61 being in paid employment. Additionally, the employment rate of 65-year old women has increased significantly over the last two years, as they have no longer been able to claim the state pension. It was 21% in the third quarter of 2018, but by the second quarter of 2020, it was 35%. This will have been influenced by the outbreak of coronavirus, which will mean that the employment rate included individuals placed on furlough from their job, but even prior to the pandemic, in quarter one of 2020, the rate of employment of 65-year old women was already 35%. It is these figures that lend themselves to the suggestion that further reform could increase the employment rate of 66-year olds, as the state pension age evolves once again.

Back to [Contents](#)

The protected pension age easement will expire on 1 November 2020

8 October 2020

Within HMRC's most recently published [Pension Schemes Newsletter](#), initially it was advised that there was no official end date for the protected pension age easement, which was extended until 1 November 2020. In an update to the newsletter, it has now been confirmed that no extension will be put in place, and the easement will expire on 1 November 2020.

The easement was implemented in response to the outbreak of coronavirus, and meant that anyone who had retired, but returned to work due to COVID-19, would retain their protected pension age, even in scenarios where they had been re-employed in the same job. The easement also meant that individuals in this situation would not be subject to an unauthorised payment charge.

HMRC and TPR join forces to deliver webinar on pension scams

9 October 2020

HMRC and The Pensions Regulator (TPR) are working alongside one another, to deliver a [webinar](#) that will provide guidance for employers on the topic of how they can assist employees in avoiding falling victim to pension scams.

Unfortunately, the outbreak of coronavirus has seen the number of pension scams increase substantially, as fraudsters try and use the pandemic as an opportunity to prey on the most vulnerable in these uncertain times. The [webinar](#) will take place on Monday 12 October, between 11:15 and 12:15, and will explore how pension scams work, identify who is most at risk, and will also highlight what the key warning signs are.

[The Financial Conduct Authority \(FCA\)](#) also provides a wealth of information designed to prevent savers from being duped by the range of pension scams that are currently in circulation. The overriding message is that individuals should take their time in making decisions relating to their pension, they should check who they are dealing with, reject any unexpected offers, and if possible, seek some impartial information or advice prior to making any decisions.

Back to [Contents](#)

The CIPP's response to HM Treasury's consultation: 'Pensions tax relief administration: call for evidence'

14 October 2020

HM Treasury published a [consultation](#) that ran from July to October 2020 that wanted to explore how two of the main methods of administering pensions tax relief work, and to seek feedback on how improvements could potentially be made. The CIPP's Policy and research team, having collated the views and opinions of payroll professionals through a survey and a virtual thinktank roundtable, has submitted its response, which can be located [here](#).

The call for evidence was initially announced in March 2020, within the Budget, and its aim was to address the issue of how a low-earning individual's net pay could potentially be affected solely on the basis of how pensions tax relief is provided through their pension scheme.

In relief at source arrangements, pension contributions are taken from net pay, and the pension provider reclaims tax relief from HMRC, ensuring that individuals enrolled in pension schemes of that type receive pensions tax relief. In a net pay arrangement, however, pension contributions are deducted from gross pay. The current tax threshold is £12,500, whilst the auto-enrolment threshold is for earnings above £10,000, so anyone earning between those two amounts will not receive the pensions tax relief that they would if they had been in a relief at source pension scheme. To address the issue, the consultation sought feedback on how successful four different potential approaches could be. Amongst the key findings were:

- Respondents to the survey confirmed that within their businesses:
 - 25% operate a NPA scheme
 - 24% operate via a RAS
 - 41% operate both NPA and RAS

The majority of members that attended the virtual roundtable event also confirmed that salary sacrifice pension schemes were also offered within their businesses

- In terms of the approach that survey respondents felt should be taken to resolve the issue:
 - 35% favoured approach one – the payment of a bonus
 - 0% felt that approach two – applying a standalone charge to RAS schemes would be most effective
 - 30% showed preference for approach three – the operation of multiple schemes

- 35% felt that mandating the use of RAS for DC schemes would work best

The CIPP's response discussed member feedback from the survey and the virtual meeting, and the pros and cons of each proposed method of resolving the issue. It can be accessed in its entirety [here](#).

Back to [Contents](#)

Recognised overseas pension schemes notification list

19 October 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The list is of schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been 19 scheme names added to the list, and nine scheme names removed. No amendments have been cited in this update.

A very welcome change is that HMRC now list the updates, as follows.

Schemes added

Australia

Bagshaw Family Super Fund
Betts QROPS Fund
Boaden Superannuation Fund
Bolton Super Fund
Jennings Family Superannuation Fund
Jones & Gray Superannuation Fund
Natriss Superannuation Fund
Nigel Brown Super Fund
Peter Delroy Williamson Super Fund
Rayner Family Super Fund
Satya Yuga Super Fund
Silcock Superannuation Fund
To The Hilt Superannuation Fund

Gibraltar

Centurion Retirement Annuity Trust Scheme
Equus Retirement Annuity Trust Scheme

Guernsey

Charlotte Ann Recognised Overseas Pension Scheme

Jersey

Affinity Group Pension Trust
Langham Hall Pension Scheme

Netherlands

Acerta Pharma B.V. by Brand New Day

Schemes removed

Gibraltar

Abacus Retirement Annuity Trust Scheme

Andromeda Retirement Annuity Trust Scheme
Cornhill Retirement Annuity Trust Scheme
Cygnet Retirement Annuity Trust Scheme
Fortress Retirement Annuity Trust Scheme
Metro Retirement Annuity Trust Scheme
Pryce Warner QROPS
Resort Group Plc Retirement Annuity Trust Scheme

Jersey

Luca Pensions Ltd.

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#).

[Back to Contents](#)

Pensions lifetime allowance to increase 0.5% for tax year 2021-22

22 October 2020

It has been announced that the pensions Lifetime Allowance (LTA) will increase to £1,078,900 from the current figure of £1,073,100, in tax year 2021-22. This is an uplift of 0.5% in line with the rate of inflation that was [confirmed](#) on 21 October 2020.

The LTA rises each year at the same rate as the consumer price index figure, and this means that savers will be entitled to an additional £1,450 in tax-free cash in 2021-22.

The LTA means that there is a cap on the amount of pension benefit that can be taken from pension schemes without prompting an additional tax charge, and this is regardless of whether benefits are drawn as a lump sum or as ongoing retirement income.

The state pension triple-lock means that it will increase by whichever is highest of 2.5%, average earnings or inflation rates. From April 2021, the state pension will rise by 2.5%, and not the lower inflation rate that has been announced, or the growth in average earnings figure for the May-July quarter, which was -1%. This means that it will be the third consecutive year in which the state pension has increased by more than inflation.

The flat rate state pension will see a rise of £4.40 per week, to bring it up to £179.60, and those on the old system can expect to receive £3.40 more per week, amounting to a weekly figure of £137.65.

[Back to Contents](#)

Simplified pension statements on the horizon

22 October 2020

The Department for Work and Pensions (DWP) has confirmed, in its [response](#) to the consultation it published on the topic of simpler annual statements, that although shorter and simpler statements are ambitions for schemes, the majority of them have not voluntarily adopted the statement template, freely available to them.

On the topic, it stated “progress remains too slow and is not delivering consistent results”, and “it is unlikely that the voluntary adoption of any approach will lead to sufficient progress across providers as a whole.”

Subsequently, the DWP intends to consult later on in the year in relation to making simpler statement templates for Defined Contribution (DC) schemes used for Auto-Enrolment (AE) mandatory. The two-page statement that was initially constructed during the 2017 AE Review will be used as the starting point in terms of the length, content, and

design of pension statements to be used in the future. DWP will work alongside experts in the industry to produce an in-depth design of the template.

Although this will primarily only apply to DC schemes used for AE, the long-term goal of the Government is to increase consistency across all schemes.

The intention is for these simplified statements to draw attention to several primary points of concern for savers:

- How much money is in their pension pot
- How much money they could have at retirement
- What they can do to give themselves more money in retirement

Pensions Minister, Guy Opperman [said](#):

“For too long pensions have been shrouded in complexity and technical jargon, limiting people’s understanding of their savings and hampering their retirement planning.

Simple statements will usher in a new standard for how schemes communicate with their members – vastly improving people’s understanding and engagement with their pensions.

With more people saving for their retirement than ever before thanks to Automatic Enrolment, it’s vital they can understand what’s going on with their hard earned money and actively plan for their future.”

Back to [Contents](#)

New superfunds guidance for trustees published by The Pensions Regulator

26 October 2020

The Pensions Regulator (TPR) has published new [guidance](#) for trustees and sponsoring employers of Defined Benefit (DB) pension schemes that may be considering transferring to a DB superfund.

Back in June 2020, TPR launched its interim regime for superfunds and other new models to lay out the standards it expects. It is hoped that this regime will provide savers with confidence in superfunds should their pension be transferred into one in the future.

TPR believes that superfunds can potentially provide both pension savers and employers with good outcomes, where they are well managed, but acknowledge that they are not the solution for every single scheme. Trustees and employers should review the [guidance](#) and weigh up their options, in order to ensure that they understand and can meet the regulator’s expectations when considering transferring to a superfund.

TPR’s Executive Director of Frontline Regulation, Nicola Parish, said:

“Following the launch of our interim regime for superfunds in June, we are now providing further details about our expectations of employers and trustees who may be considering the significant step of transferring to a superfund.

We know that some employers and trustees are keen to explore whether a superfund could provide another option for their DB scheme and for employers allow them to focus on future sustainability. However, while we await government legislation, we are determined to protect savers who may be moved into a superfund by rigorously assessing providers and then supervising them closely.

Trustees need to ensure they are confident a superfund is the right option for their members, the transaction meets the gateway principles and only consider using a superfund named on the TPR website.”

The regulator will continuously assess any existing superfunds against the expectations presented in its interim regime, which will include ensuring that they are well-governed, run by the correct people and backed by sufficient capital. Superfunds will only be added to the planned online list of providers once the provider has been able to, through concrete evidence, demonstrate that they meet those expectations.

Government plans to “nudge” people to take pensions guidance

29 October 2020

The Department for Work and Pensions (DWP) has [confirmed](#), in a press release, that the Government intends to strengthen protections for pension savers, and will do so by “nudging” them towards taking Pension Wise guidance when they seek to access their pension.

The proposals have been made following on from successful trials and will mean that any occupational pension schemes will be required to direct members towards taking advice from Pension Wise prior to making any decisions. The Pension Wise service delivers free and impartial guidance aimed to assist people over the age of 50, who have an occupational pension, to understand the options they have in relation to accessing their pension pots.

Trials highlighted a substantial uplift in the number of savers making appointments with Pension Wise in scenarios where pension providers explained the purpose and content of the guidance, and subsequently either offered to book a Pension Wise appointment, or diverted them to the Money and Pensions Service (MaPS), who booked the appointment for them.

A Statement of Policy Intent has been [published](#) and will build on the results of the trials and encouraging more people, who would benefit from Pension Wise, but who haven't made an appointment, to do so.

Guy Opperman, Minister for Pensions and Financial Inclusion, said:

“I want taking guidance to become a natural part of the journey savers embark on when making decisions about their pension pots.

These measures will advance the Government's goal of ensuring that people have the necessary support and information to make informed choices about their financial futures.”

In addition to advising people to make use of the service, it is hoped that the new proposals will also ensure that consumers are further protected from scams. “Stronger Nudge” measures are part of a package which has been designed to assist people in making informed decisions when accessing their pension savings.

The Pension Wise service was launched in 2015, and demand for it has increased year on year. In 2019-20, the MaPS delivered more than 200,000 Pension Wise interactions, which included appointments by telephone or face-to-face and online sessions.

[Back to Contents](#)

Fraudster made to repay £274,000 he stole from workplace pension scheme

30 October 2020

The Pensions Regulator (TPR) has [confirmed](#) that William Bessent, a trustee and administrator for the Focusplay Retirement Benefit Scheme, has been ordered to pay back £274,733 that he stole from a workplace pension scheme. He transferred £292,000 of savers' money into businesses that were either struggling or new, that were run by himself, his family and a client.

On October 28 2020, a confiscation hearing was held at Preston Crown Court, where Judge Heather Lloyd instructed Mr. Bessent to repay £274,733 to the victims. £233,317 of this was to be returned to the Focusplay Retirement Benefit Scheme which equated to the difference between the amount stolen and amounts that had already been repaid.

The amount must be repaid within a three-month period, or Mr. Bessent, who is an accountant based in Lancashire, will face an additional 30-month jail sentence. He was also ordered to pay the full amount of cash held across his bank accounts, which equated to £9,861, within seven days.

In March 2019, Mr. Bessent was [sentenced to more than three years in jail](#), as a result of action taken by TPR. He pleaded guilty to numerous counts of fraud, making employer-related investments and acting as a director whilst disqualified.

TPR's Director of Enforcement, Erica Carroll, said:

"Bessent held a position of trust which he abused for his own gain – stealing money meant for hardworking scheme members' retirements.

Today's result shows TPR is determined that criminals such as Bessent are not only punished for their crimes but also do not benefit financially from their crimes. The money he stole will now be returned for the benefit of the scheme members he took it from.

And, if he doesn't pay up in three months, he faces extra jail time and will still have to return the money."

Back to [Contents](#)

Recognised overseas pension schemes notification list

4 November 2020

The list of [Recognised Overseas Pensions Schemes \(ROPS\)](#) notifications has been updated.

The ROPS list includes schemes that have told HMRC they meet the conditions to be a ROPS and have asked to be included on the list.

There have been 13 scheme names added to the list, and one scheme names removed. No amendments have been cited in this update.

An updated list of ROPS notifications is published on the first and 15th day of each month. If this date falls on a weekend or UK public holiday the list will be published on the next working day. Sometimes the list is updated at short notice to temporarily remove schemes while reviews are carried out, for example, where fraudulent activity is suspected.

The requirements to be a ROPS changed from 6 April 2017 - find out about the changes for [ROPS requirements](#)

Back to [Contents](#)

Pensions Dashboard

Pensions dashboards to be tested by providers and volunteer schemes

10 July 2020

It has been confirmed that the [Pensions Dashboards Programme \(PDP\)](#) will commence extensive testing with individuals, dashboard providers and volunteer pension providers and schemes, following on from the anticipated publication of the first version of the pensions dashboards data standards later this year.

On 6 July 2020, the PDP, created by the Money and Pensions Service (MaPS) and formerly know as the Industry Delivery Group, released a call for feedback on two papers that were initially published back in April. The documents looked into ways in which to achieve comprehensive coverage across all pension sectors, and which data items should be included within the first version.

New requirements announced in the documents meant that Defined Benefit (DB) pensions could potentially be translated into an annual income in today's terms. This would mean that trustees and administrators would need to undergo a substantial data exercise to comply with the project.

Pensions Minister, Guy Opperman, said:

“To fully realise the potential of dashboards, few things will be as important as getting the data standards right.

The data standards will set out the information that pension providers and schemes will be required to show their customers and members via dashboards, and the format in which data will have to be supplied.”

The call for input will close on August 31 2020, and the PDP will collate all of the responses and publish a summary. In the background, the body is establishing a data working group to progress work on technical issues, which will allow PDP to produce a first set of data standards, which will then be amended and finalised based on insights gathered from within the industry.

If you wish to respond to the call for input, then the relevant survey can be accessed [here](#).

Back to [Contents](#)

Pensions dashboards to be delayed until 2023

30 October 2020

It has been confirmed that those individuals who save for their retirement in the UK will now need to wait until at least 2023 before pensions dashboards are implemented. A pension dashboard will be an online service which will allow savers to see all of their pensions consolidated in one singular place.

Back in 2016, the Chancellor at the time, George Osborne, set a deadline of 2019 for launching the service, so the new date means a delay of four years from when the Government first intended. The dashboards will allow individuals to see all of their retirement funds, including state pension, workplace pension and personal pension in one secure online space.

The Pensions Dashboards Programme, which was established in 2019 to create the digital architecture and governance framework required for the dashboards, highlighted in its most [recent report](#) that there would not be sufficient pensions data available to populate the dashboards prior to 2023.

At present, there are 52 million people in the UK that will need to be connected up to 130 million pensions, that are supplied by over 400,000 private, public and state schemes.

Principle of the Pensions Dashboards Programme, Chris Curry, said:

“While dashboards are a simple concept, the delivery of dashboards will be complex.

This is a really big project. There is a lot that needs to happen. There is a lot of work to move the industry forward, but also a lot of work on the government and regulatory side as well to make sure everything is aligned and delivered in the safest possible way for the consumer.”

A [timeline](#) has been provided, devised by the Pensions Dashboard Programme, which indicates that pension providers and schemes will be encouraged to link up customer and member data to dashboards from 2023 onwards.

Mr. Curry advised that the dashboards will not launch with all pensions pots and benefits in the system, as testing would first need to take place in order to assess how loaded the dashboards need to be for consumers to be satisfied with them. He said:

“Most people would find it useful to find at least three-quarters of their pensions in the system.”

It is believed that the preliminary dashboards will display a simple range of information, not dissimilar to that included in annual benefit statements, information requests from pension providers, or guidance relating to locating old pension pots. It is then intended that the dashboards will develop and evolve over time.

The Minister for Pensions and Financial Inclusion, Guy Opperman, commented:

“Pensions dashboards will revolutionise retirement saving which is why it’s vital we get them right,”

I'm encouraged by the progress on the project to date, the sensible timetable for development incorporating testing, rigour and refinement, and the continued collaboration driving this forward."

Savers can trace old pension pots by accessing the Pension Tracing Service [here](#).

Redundancy

Potential greater redundancy protection for pregnant women and new mothers under proposed bill

14 July 2020

The [Pregnancy and Maternity \(Redundancy Protection\) Bill 2019-21](#) was reintroduced to the House of Commons on 8 July 2020, and aims to provide pregnant women and new mothers with additional legal protections against redundancy.

The bill, presented by Conservative MP, Maria Miller, will afford women greater protection from redundancy when pregnant, and also in the six months following their child's birth. It will also provide enhanced protection from redundancy during periods of maternity leave. MPs and campaigners have been highlighting the fact that the outbreak of coronavirus means that there is increased risk of occurrences of maternity discrimination, and that this needs to be addressed.

In a ten-minute rule bill, Miller confirmed that government data revealed that thousands of women are faced with no other option than to leave their jobs due to discriminatory experiences at work, and that one in 20 are actually made redundant. Speaking in parliament, she said:

“Every year, 53,000 women leave their jobs when pregnant because of how they’ve been treated. My bill strengthens existing laws to better protect pregnant women and new mothers by prohibiting employers from making them redundant.”

A previous version of the bill failed to progress through parliament back in 2019, which mirrored the redundancy protections for women in Germany. This is the bill that was reintroduced by Miller, and is scheduled for a second reading on 16 October 2020.

Back to [Contents](#)

Insolvency service update – What to do if you have been made redundant

3 November 2020

Insolvency service has updated their [guidance page](#) on what to do when you have been made redundant to include information on [Protective Awards](#).

A Protective Award is a form of compensation that is awarded by an employment tribunal due to an employer not consulting with employees correctly prior to being made redundant. Employees are only entitled to this payment if they or their job role was included in a tribunal judgment.

If an employee's former employer is insolvent, the [Insolvency Service](#) will pay the Protective Award, but the amount that can be paid is capped at eight weeks of pay. If employees were made redundant on or after 6 April 2020, the weekly amount is capped at £538. For redundancies before 6 April 2020, these amounts will be lower.

Reports of redundancies due to the current pandemic are rife at present and ensuring the correct processes are in place are even more vital than ever, especially as employment rights become more transparent. Employees are better

informed of their employment rights; therefore, employers should do their utmost to ensure that they are following the correct processes.

Help and guidance on redundancy is available from a variety of sources, such as the [ACAS](#) and [Gov.uk](#) websites. CIPP members can also access a [factsheet](#) produced by the CIPP policy and research team.

Back to [Contents](#)

Acas– Free webinars available for small scale redundancies

5 November 2020

Acas are offering employers a free webinar on the topic of small-scale redundancies.

As reported earlier this week, Insolvency service has updated their [guidance page](#) on what to do when you have been made redundant to include information on [Protective Awards](#) giving employees a better understanding of their employment rights, meaning that more than ever, employers should familiarise themselves with the correct processes to following during redundancy.

Acas are offering a webinar available to employers which will look at the main elements involved in a small-scale redundancy process, including the related law and good practice guidance.

The webinar will cover:

- The impact of coronavirus (COVID-19) on the job market
- Alternatives to redundancy
- Legal obligations, risks, and potential pitfalls
- Communicating and consulting with employees

Two dates are being offered for this free event.

[Tuesday November 10 10:30 - 11:30](#)

[Thursday November 12 14:00 - 15:00](#)

Acas have advised that:

“We anticipate that these events will fill quickly so we advise registering your place early to avoid disappointment”

Back to [Contents](#)

Tax Agents and Advisers

HMRC publishes Agent Update 77

17 April 2020

The [latest Agent Update issue](#) has been published by HMRC and includes articles that discuss the delay to the off-payroll working rules, updated guidance on disguised remuneration, Construction Industry Scheme (CIS) filing dates and refunds and questions that should be asked of cyber security experts.

The Agent Update is published by HMRC as part of its Working Together programme for Agents and provides a wide range of updates that span all tax types.

There is a caveat that, as with everything at the moment, guidance is constantly being updated to help support businesses and individuals through the outbreak of COVID-19, and the issue includes the most up-to-date information that was available prior to going to publication.

Delay to off-payroll working reforms

The article that discusses the delay to off-payroll working reforms from the intended date of 6 April 2020 to 6 April 2021 explains that contractors working through their own limited company and providing services to non-public sector organisations will continue to have the responsibility for operating existing off-payroll working rules, which came into force in 2000. This means that contractors will need to decide whether they are employed or self-employed for tax purposes, and in tax year 2020-21, organisations in these sectors will not need to make this decision, issue Status Determination Statements (SDS) or deduct income tax and National Insurance (NI) contributions prior to paying fees to contractors who work through their own limited company. Payroll only needs to be operated for individuals who are now employed directly and no longer provide services for an organisation as a contractor through their own limited company. Within payroll software, there will be an 'off-payroll worker subject to the rules' indicator in PAYE RTI, but organisations in the private and third sector should refrain from using this indicator and not use payroll software for making payments to a contractor's own limited company in tax year 2020-21.

Off-payroll working rules introduced to the public sector in April 2017 will continue to operate as they do now. Additional duties that were intended to be implemented from 6 April 2020 will no longer need to be completed during tax year 2020-21, including the requirement to produce an SDS and provide it to the worker and first party in the contractual chain. There will no longer need to be a status disagreement process in place. These requirements will now take effect from 6 April 2021. From 11 May 2020, however, for public authorities or agents, on contracts which fall inside the off-payroll working rules, there will be a requirement to start using the 'off-payroll worker subject to the rules' indicator in PAYE RTI. Although this isn't mandatory until 11 May 2020, the function will be available from 6 April 2020.

Guidance on disguised remuneration

In response to the Independent Loan Charge Review, the government made several changes to the policy which meant that certain disguised remuneration loans previously subject to the loan charge will now no longer be within the rules outlined in the original policy. Individuals who are subject to the loan charge should read guidance to check if they still need to report and pay the loan charge. Draft legislation and a draft scheme have been published, relating to the refund of certain voluntary payments made on or after 16 March 2016 as part of a settlement with HMRC in relation to loans made in unprotected years.

Those who are entitled to a refund of voluntary restitution will be written to and invited to make a claim once the Finance Bill receives Royal Assent. It is anticipated this will be in Summer 2020 but this does not consider the delays which could be caused due to coronavirus. Claims for refunds cannot be processed until legislation has been enacted.

Spotlight 54 highlighted the fact that tax avoidance promoters were targeting NHS workers returning to help with the fight against coronavirus.

For anyone who is experiencing problems paying tax due to COVID-19, and are concerned about being able to pay their loan charge or disguised remuneration settlement, HMRC can agree instalment arrangements with them. The arrangements will be made on a case-by-case basis and will be tailored to meet individual circumstances.

Construction Industry Scheme (CIS) – filing dates and refunds

Limited company subcontractors can off-set CIS deductions suffered against tax and National Insurance (NI) payments due for their employees, and CIS deductions from their subcontractors. This can be done on either a monthly or quarterly basis, and the calculation included on the monthly Employer Payment Summary (EPS) return.

At tax year end, once HMRC have received the final EPS and Full Payment Submissions (FPS), excess CIS deductions that cannot be offset may be refunded against any Corporation Tax or VAT due. The amounts offset must be recorded.

Refunds aren't processed until 24 April and it can take up to 40 working days for repayments to be made. A repayment can be claimed online where the company has a Government Gateway user ID and password, but if a company does not have a user ID, one can be created when they claim online. Where repayments must be made to an agent or other nominated representative, the claim must be made by post using a R38 form.

There is also much more information to digest, so it is advisable to familiarise yourself with the content of the latest Agent Update.

[Agent Update 77](#)

Back to [Contents](#)

Agent Issue: 78 published

12 June 2020

The latest issue of the [Agent Update](#) has been published and is now live on GOV.UK

Statutory Sick Pay Rebate scheme

The update includes an article on the coronavirus [Statutory Sick Pay Rebate Scheme](#), reminding you of the conditions in which it can be reclaimed:

Employers are eligible to use the scheme if they meet all the following criteria:

- They are claiming for an employee who is eligible for sick pay due to coronavirus
- They have already paid the SSP to their employee
- They had a PAYE payroll scheme in operation before 28 February 2020
- They had fewer than 250 employees across all PAYE schemes on 28 February 2020

State aid limits

The claim amount that the business makes should not take them above the state aid limits under the [EU Commission temporary framework](#) when the amount is combined with other aid received under the framework. The maximum level of state aid that a business may receive is €800,000. There is a lower maximum for agriculture at €100,000 and aquaculture and fisheries at €120,000.

Spotlight 55

The update also includes details about [Spotlight 55](#) which has been published to warn against the dangers of using a tax avoidance scheme that may be posing as an Umbrella Company. The spotlight is aimed at the individual tax payer and gives some warning signs to watch out for that includes the warning that advertising on a comparison website is no guarantee of legitimacy, so always check to see if the umbrella company has a company name, postal address, company registration number.

Also some may have very basic web pages with little to no information. They may only have a registration form asking for personal details to receive a quote. Always do some research to verify that the scheme is legitimate. HMRC will never endorse such schemes.

Disguised remuneration

Changes to the [disguised remuneration](#) Loan Charge form is also included in the update, highlighting the deadline of 30 September 2020 to report any outstanding loans and that also that there is no an election to [spread the cost](#) of the owed balances over a three year period. Completing the [form online](#) is the quickest method, however, if a paper copy is required, a request can be made to 03000 599110.

Due to guidance being constantly updated, HMRC hope to have included the most up-to-date relevant information in this edition of the [Agent Update](#).

Back to [Contents](#)

HMRC publishes Agent Update 79

14 August 2020

The [latest Agent Update issue](#) has been published by HMRC, and includes articles that discuss the Eat Out to Help Out scheme, Student Loans and the cyber scams in place that target students, and information on the customs grant scheme. The update is aimed at tax agents and advisers with the purpose of providing them with the latest news and guidance.

Claims Portal for Eat Out to Help Out scheme opens

Businesses who are classed as eligible businesses to the Eat Out to Help Out scheme can now claim for discounts offered to customers on the scheme, by accessing the new online claims portal. The message is reiterated that, whilst agents and intermediaries cannot register for the scheme, or make claims on behalf of their clients, they can assist by ensuring that they have all the required documents and information that they need to submit their claims. Further guidance on the scheme can be located [here](#).

End of VAT payment deferrals period

As one of the measures introduced to help support businesses through the outbreak of coronavirus, HMRC offered businesses the option to defer VAT payments if they were not able to pay on time. This could be done without incurring late payment interest or any penalties. Payment of VAT due between 20 March and 30 June could be deferred until 31 March 2021. Any deferred VAT can be paid back ahead of the deadline as ad hoc payments and / or overpayments, or however is preferred, on the proviso that full payment is made by the deadline date.

The scheme closed on 30 June 2020, so businesses need to set up any cancelled direct debits ahead of payment of their next VAT return. Further information on this can be found [here](#).

Student loans and scams targeting students

There may be scenarios in which employers face difficulties in determining:

- Whether or not student and / or postgraduate loan deductions are applicable
- Which earnings period to use for the purposes of calculating student and / or postgraduate loan deductions

In determining how to treat income for student and / or postgraduate loan deductions, it is advisable to follow the rules for Class 1 National Insurance (NI) contributions.

Back in 2018, Scotland's First Minister announced that Scotland's student loan earnings threshold would increase to £25,000 from April 2021 for any new and existing borrowers. The repayment period would also be reduced from 35 to 30 years, to mirror England and Wales. These developments mean that a new Scottish Student Loan Plan Type needed to be created – plan type 4. On 6 April 2021, anyone who has taken a student loan from Scotland will repay under new plan type 4, and employers will be notified of any move of loan types via the current SL1 / PGL1 notification process.

Self-Assessment tax returns have been updated to include the following Income Contingent Student Loans :

- Plan 1
- Plan 2
- Postgraduate Loan

Agents should establish which is the correct loan type with their client before selecting it to ensure that they are not overcharged.

There has been a spike in the number of cyber scams which have targeted students, and offered them false tax refunds over the course of the past few months. HMRC is therefore advising students to be vigilant and extra careful when providing any personal information. HMRC's Customer Protection Team has instructed internet service providers to remove malicious web pages associated with scams of this nature.

HMRC's advice to students is to:

Stop

Take a moment to think before parting with information or money
Do not give out private information, or reply to text messages
Don't download attachments or click on links in unexpected texts or emails

Challenge

Reject, refuse or ignore any requests – it is OK to do this – only criminals will try and rush or panic people
Search 'scams' on Gov.UK for information surrounding how to recognise genuine HMRC contact, and how to avoid and report scams

Protect

Forward any suspicious emails purporting to be from HMRC to phishing@hmrc.gov.uk and any texts to 60599
Individuals should contact their bank immediately if they suspect they've fallen victim to a scam and also report it to Action Fraud

Read the Agent Update in its entirety [here](#).

Back to [Contents](#)

HMRC publishes Agent Update 80

27 October 2020

The [latest Agent Update issue](#) has been published by HMRC, and includes articles that discuss employees working from home because of COVID-19, an update on Top Slicing Relief (TSR) on life insurance policy gains and the VAT reverse charge on building and construction services – delayed introduction. The update is aimed at tax agents and advisers with the purpose of providing them with the latest news and guidance. There are many more articles included in the [Update](#) so it is advisable to read the whole issue.

Employees working from home

Employees asked to work from home due to coronavirus may find that they incur extra household expenses. In scenarios where their employer hasn't reimbursed them, employees can claim tax relief on £6 per week if they're working from home for all or part of the week. The relief can be claimed [online](#), and employees will see their tax code adjusted, which will result in them paying a lower amount of tax.

Top Slicing Relief (TSR) on insurance policy gains

Any individuals affected from 2018-19 onwards should receive all of the relief they are entitled to, and HMRC is working to ensure that this happens.

Beneficial ordering

Personal allowances within the TSR calculation must be set, where possible, against other income in preference to the gain. This means that the personal allowance cannot be utilised twice in the tax year, which could result in too much relief being claimed. There is a note, however, that this is not a change to policy, and that the relief calculation has always applied to this method, otherwise it would produce excessive relief or give the relief to taxpayers not entitled to it. What the new measure means is that the treatment of the personal allowance is treated differently when calculating the TSR. There will be no changes to the calculation of any other relief, allowances or rates such as the Savings nil rates.

Impacts on each year

HMRC estimates that out of 45,000 customers who incur gains, 2,000 will benefit from these changes.

Outcomes of 2018-19 Auto Recovery / Manual re-work

The automated process for 2018-19 was run on 28 August 2020 and incorporated customer returns for 2019 received within HMRC up to nine months before the run date, e.g. Returns filed online from 28 November 2019 onwards. 2018-19 returns submitted under an exclusion are being manually reviewed and included customer returns for 2019 which had been received within HMRC up to nine months prior (returns received on 28 November 2019 and later). Where a change to the TSR is needed, they are being changed accordingly.

For returns that were received more than nine months ago, an amendment needs to be submitted to update the amount of TSR.

2019-20 e-Filing exclusion list

An exclusion has been added to the Known Self-Assessment calculation errors list for 2019-20 -[exclusion 116](#).

Customers must complete paper returns in order to get the correct calculation, and no customer will receive less relief than was before calculated by HMRC.

2020-21 onwards

From 2020-21 onwards changes will be included in the SA calculator, and customers will not be required to provide any additional information. The correct amount of relief will be calculated as part of the online tax return.

Earlier years

For periods prior to 2018-19, returns should be filed on the basis of the legislation that was applicable at the time the returns should have been made. There are guidance and examples [online](#) to assist with queries, and also in the Insurance Policyholder Taxation Manual (IPTM) in chapters 3820-3850.

HMRC will also be holding webinars on the topic throughout October and November.

VAT reverse charge on building and construction services – delayed introduction

The reverse charge measure will now be implemented from 1 March 2021, in order to help construction businesses to deal with the outbreak of coronavirus and to give them additional time to prepare. Further information on the reverse charge and how it will operate is available [online](#). In September, every VAT-registered construction business will have been provided with a letter which advised them to check if they could potentially be liable for the reverse charge. Companies that are should begin to prepare now. The main aspects are that:

- It will apply to standard and reduced-rated supplies of building and construction services made to VAT registered businesses, who also make outward supplies of those building and construction services
- The contractor will be responsible for paying the output VAT due rather than the sub-contractor, but can still reclaim this amount as input tax
- The scope of supplies affected is closely aligned to the supplies required to be reported under the Construction Industry Scheme but does not include supplies of staff or workers for use by the customer
- The legislation introduces the concept of “end users” and “intermediary suppliers” – this covers businesses or groups of associated businesses that do not make supplies of building and construction services to third parties, and, as such are excluded from the scope of the reverse charge if they receive such supplies, for example, landlords, tenants and property developers

HMRC will be hosting a series of [webinars](#), and recordings will be made available online.

More information on the Construction Industry Scheme is available [online](#).

Back to [Contents](#)

Tax Avoidance & Evasion

Chartered Institute of Payroll Professionals

The Chartered Institute of Payroll Professionals (CIPP) is the only Chartered Institute for individuals working in payroll in the UK, and has a dedicated pensions faculty for individuals responsible for pensions administration and management.

Representing over 6,500 members and students, as well as the payroll and pensions professions, the CIPP policy and research team attends government consultation forums to discuss potential changes to legislation and the impact on payroll and pensions in practice. This enables us to ensure that CIPP members and students are amongst the first to hear about changes, and have their say through consultation surveys and responses.

As well as providing access to information about proposed changes, the CIPP also provides our members and students with access to support and information to assist them in their career development, and ensure that they are efficient, effective and compliant in their roles, this includes:

- Advisory service helpline available Monday to Friday which will answer member queries relating to payroll and pensions
- legislation
- E-newsletter providing the latest news and developments straight to your inbox
- Professional magazine which feature news and case studies relating to payroll, pensions and HR
- Payroll factcard providing all of the key figures needed to run a payroll, whatever the frequency

If you would like to find out how membership of the CIPP can benefit you, or sign up for a free trial, please visit www.cippmembership.org.uk, email membership@cipp.org.uk or call 0121 712 1000



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