

## Employment – 20:20 vision

Providing clarity and insight on employment law matters

### Furlough bonus – what do employers need to know?



On 31st July 2020 the government published [guidance](#) on the Job Retention Bonus scheme (**JRB**). In this alert we cover the key points of the guidance and answer the frequently asked questions employers are asking.

#### What is the JRB?

This is a one-off payment of £1,000 to employers for every employee who they previously claimed for under the Coronavirus Job Retention Scheme (**CJRS**), and who remains continuously employed through to 31 January 2021.

#### Which employers can claim the JRB?

All employers are eligible for the JRB including recruitment agencies and umbrella companies.

There are specific provisions covering the scenario where employees have been transferred under TUPE or there is a change in ownership. Please contact us if you have specific queries on this.

An employer will be able to claim the JRB for any employees they claimed for under the CJRS. Where a claim for an employee was incorrectly made, a JRB will not be payable.

#### In respect of which employees can an employer claim the JRB?

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 under the CJRS;
- have been continuously employed by the relevant employer from the time of the employer's most recent claim for that employee under the CJRS 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 Real Time Information (**RTI**) reporting system;

- have up-to-date RTI records for the period to the end of January 2021; and
- 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 criteria, including office holders, company directors and agency workers, including those employed by umbrella companies. The above criteria must be met regardless of the frequency of the employee's pay periods, their hours worked and rate of pay.

#### What about employees returning from statutory parental leave?

If an employee was on statutory parental leave, returned after 10 June 2020 and a claim under the CJRS was made, then the employer will be able to claim the JRB in respect of that employee, provided the other eligibility criteria are met.

#### When can employers claim the JRB?

Employers will be able to claim the JRB after they have filed PAYE for January 2021 and payments will be made to employers from February 2021. From

February 2021 claims can be made via a government website. Further guidance on this will be published by the end of September 2020.

### Will the JRB payment be taxable?

Yes, so the business must include the whole amount as income when calculating their taxable profits for Corporation Tax or Self-Assessment.

### What if allegations have been raised against employers about fraudulent claims?

HMRC will withhold payment of the JRB where it believes there is a risk that CJRS claims may have been fraudulently claimed or inflated, until the enquiry is completed.

### What should employers do to prepare for making a claim?

Employers should ensure that they have:

- complied with their obligations to pay and file PAYE accurately and on time under the RTI reporting system for all employees;
- maintained enrolment for PAYE online; and
- a UK bank account.

In addition, employers should make sure all their CJRS claims have been accurately submitted and any necessary amendments have been notified to HMRC. They must address all requests from HMRC to provide missing employee data in respect of historic CJRS claims. Failure to maintain accurate records may jeopardise an employer's claim.

Please do get in touch if you have any queries or require assistance on any of the topics covered in this alert. We have a dedicated team of employment lawyers keeping up to date on the latest Covid-19 related developments and who are available to answer any questions you may have.

### Contact us



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