



From all the team at Butler & Co, we trust everyone remains safe and well at this time, and we hope that those businesses that are starting to reopen have all been able to do so successfully.

### **COVID-19 BUSINESS SUPPORT**

Today's updates concern the following:

1. **Coronavirus Job Retention Scheme [CJRS] – NEW: FLEXIBLE FURLOUGHING**
2. **Self Employed Income Support Scheme [SEISS] – Closing date reminder**

#### **1. CORONAVIRUS JOB RETENTION SCHEME [CJRS] – JULY CHANGES**

As a reminder - from 1 July 2020, employers have the flexibility to bring previously furloughed employees back to work part-time.

- The employer can decide the hours and shift patterns that employees will work, and the business will be responsible for paying wages in full while working. This means that employees can work as much or as little as an individual business needs, there is no minimum time that staff can be furloughed for.
- Any working hours arrangement agreed must cover at least one week and be **confirmed in writing** prior to restarting work.
- When claiming the CJRS grant for furloughed hours, the employer will need to report and claim for a minimum period of a week, or longer to match pay runs as preferred – the same as before.
- The employer will be required to submit data on the usual hours an employee would be expected to work in a claim period and actual hours worked.
- **NOTE:** If employees are unable to return to work [shielding, self-isolating etc] or there is no work for them to do, employees can remain on full furlough under the existing CJRS rules.

#### **HOW TO MAKE A CLAIM**

- A. CONFIRMATION LETTER** - A confirmation letter going to the employee from the employer should be made available **prior** to the recommencement of hours taking place. This letter forms part of the Audit Trail
- B. RECORD OF HOURS WORKED** – You will need to keep a record of the individual employees' working hours and furloughed hours. When entering the claim with HMRC, which is undertaken using the same portal system as previously (using the same login procedure), you will need to enter the hours worked and the furloughed hours being claimed and make sure these match your underlying records.

- C. RETROSPECTIVE CLAIMS** – Claims should be done retrospectively when the employees hours worked are known. Claiming in advance could lead to issues, particularly if someone’s work patterns change and therefore the resulting furlough claim has to be altered – HMRC have made it clear that changes are difficult and it can be time consuming for all parties, so we would strongly recommend making retrospective claims.
- D. CLAIM PERIODS** – These can be done weekly, fortnightly, or monthly; with grant payments being made 6 days after the submission of the claim.

**IMPORTANT:** After 1 July, you can’t submit claims that cross calendar months. This means that if you have staff whose furlough spans June and July, you’ll need to submit separate claims for June and July – even if they have been furloughed continuously. Claims for June therefore **must** be made by **31 July 2020**.

⇒ **IMPORTANT NOTE: FURLOUGH FRAUD**

HMRC are starting to investigate Furlough Claims dating back to the start of the CJRS back in March and are known to be reviewing across the spectrum of claims made, not just those of high value as might have originally been anticipated. Over 1,800 claims of fraud in May alone have been recorded and investigated, uncovering abuse of the furloughing system.

In order to not get caught up in HMRC’s investigations, we recommend ensuring the following is available for inspection **now**, prior to any HMRC communication:

- **Confirmation Letters** showing which employee has been furloughed and from what date
- **Evidence** that business activity has decreased with staff being furloughed, demonstrating that no staff that have been temporarily laid off have been working – this might be as simple as showing sales income has fallen significantly since the beginning of April, for example.

HMRC announced a 30 day amnesty from 15 June 2020, allowing any employers who have made ‘incorrect’ claims the opportunity to redress these without fear of penalty – so if there is anything that needs to be declared and returned to HMRC, we recommend taking action immediately.

## **2. SELF EMPLOYED INCOME SUPPORT SCHEME [SEISS]**

This is a final reminder that the first phase concludes on **MONDAY 13 JULY 2020**.

Further details regarding the second phase are due to be announced on or after Tuesday 14 July 2020 – we will give details on eligibility criteria and a reminder of how to reapply at the start of that week, when HMRC has updated their systems following completion of the first phase.

As per usual, please do not hesitate to contact us if you have any questions regarding the above or anything further relating to the government’s Covid-19 business support initiatives. Your primary contact or our Covid-19 Business Support Co-ordinator, Russell Nash [[russell@butler-co.co.uk](mailto:russell@butler-co.co.uk)] remain available across the working week to answer any queries arising.

Please do contact us as soon as possible should you require any further assistance.

Best regards and Stay Well