



**FORUM of  
PRIVATE BUSINESS**

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# Furlough

**This information was updated 20/4/2020, it may change on a daily basis.**

**The dedicated HMRC portal for the Coronavirus Job Retention scheme is due to open today.**

The scheme is available to all employers offering a PAYE scheme. To be able to claim you must have created and started a payroll scheme before 19 March 2020. Any entity with a UK payroll can apply, including businesses, charities, recruitment agencies and public authorities.

## **Employees you can claim for**

You can only claim for furloughed employees that were on your PAYE payroll on or before 19 March 2020 and which were notified to HMRC on an RTI submission on or before 19 March 2020.

This means an RTI submission notifying payment in respect of that employee to HMRC must have been made on or before 19 March 2020. Employees that were employed as of 28 February 2020 and on payroll (i.e. notified to HMRC on an RTI submission on or before 28 February) and were made redundant or stopped working for the employer after that and prior to 19 March 2020, can also qualify for the scheme if the employer re-employs them and puts them on furlough.

The scheme covers 80% of the employee's salary, up to a maximum amount of £2,500 per month. Tax and employee's NI will be deducted in the normal way.

The employer is not obliged to pay the remaining 20% of the employee's salary but unless there is a lay-off clause in the contract, consent will need to be obtained from the employee in regard to the 20% reduction. There is a template available on our website for this.

The scheme will initially operate until the end of June 2020. HMRC has announced that it will retrospectively audit the scheme, including recouping payments made in fraudulent or erroneous circumstances.

## **Furlough and Directors**

Furloughed employees must not perform any work for the business they are claiming under.

Few company directors will be able to meet the requirement to remain entirely inactive. This especially applies to SME's where a Director is responsible for many different duties.

It has recently been indicated that a director can furlough and continue with their statutory duties. However, currently this only covers the duty of filing company accounts. We are waiting for updated information on this, looking at whether this is going to cover a broader spectrum.

**For detailed guidance on making your calculation, visit: [www.gov.uk/guidance/work-out-80-of-your-employees-wages-to-claim-through-the-coronavirus-job-retention-scheme](http://www.gov.uk/guidance/work-out-80-of-your-employees-wages-to-claim-through-the-coronavirus-job-retention-scheme)**

**To begin your claim, visit: [www.access.service.gov.uk/login/signin/creds](http://www.access.service.gov.uk/login/signin/creds)**

**NOTE: Please make sure you still comply with all employment legislation so that you don't risk a claim at a later date.**

**Contact the Forum**

**Call: 01565 626001 Email: [info@fpb.org](mailto:info@fpb.org)**