

Examples

Changes from 1st July to Job Retention Scheme

Example 1

Tom Pope has worked for Askey Ltd for many years. He was not furloughed in March, April or May.

If Askey Ltd want to furlough Tom and make a claim under CJRS plus be able to furlough him again from 1st July, then, Tom must have been furloughed on or before 10th June and remained so until at least 30th June inclusive (i.e. 21 days full furlough).

Example 2

Debbie Harry has worked for Hamil Ltd for many years. Debbie was furloughed in April for 3 weeks, but is presently back working. Hamil decide to furlough her again on 20th June.

- Debbie can be furloughed again from 1st July irrespective of how long she is furloughed for from 20th June as she was previously furloughed in April.
- If Hamil Ltd want to make a CJRS claim for the period 20th June to 30th June, Debbie will have to remain furloughed up to and including 10th July (i.e. 21 days)
- If Debbie is furloughed up to and including 10th July, the employer would need to make at least two claims, one up to 30th June and the other from 1st July.

Example 3

David Worrall is an employee of Rudge Ltd. He is paid weekly and the weekly pay period ends each Friday.

For the pay period 27th June to 3rd July 2020, Rudge Ltd will need to submit two separate claims:

- 27th June to 30th June (which can be a claim on its own or Rudge Ltd could combine into a single claim with the previous week, claiming from 20th June to 30th June).
- 1st July to 3rd July (which can be claimed on its own because it immediately follows the previous claim ending 30th June, or the employer could combine it into a single claim with the following week, claiming 1st July to 10th July).

Example 4

Swanny Ltd, who has made monthly claims, have furloughed the following number of employees:

March 2 employees
April 12 employees
May 8 employees
June 9 employees

The maximum number of employees that can be claimed for from 1st July for each subsequent claim period is 12 employees (the April figure), unless one of the exceptions mentioned in the notes come into play.

Example 5

Carol Shanahan is employed by Saviour Ltd. She is contracted to work 37 hours each week, across 5 working days. Carol is paid weekly.

Saviour Ltd is looking to make a flexible furlough claim for the period 1st July 2020 to 10th July 2020 (10 calendar days).

There are two pay periods partially in this claim period:

29th June to 5th July
6th July to 12th July

Firstly, Saviour Ltd calculates the usual hours for the days it is claiming in the pay period 29th June to 5th July as follows:

- Start with 37 hours (the hours Carol was contracted for at the end of the last pay period ending on or before 19th March 2020)
- Divide by 7 (the number of days in the repeating working pattern, including non-working days, i.e. 29th June to 5th July)
- Multiply by 5 (the number of calendar days in the pay period (or partial pay period, in this case, Saviour is claiming for) – the period from 1st June to 5th June. This equals 26.43.
- Round up to the next whole number = 27

Secondly, Saviour Ltd calculates the usual hours for the days it is claiming for in the pay period 6th July to 12th July as follows:

- As per A) above.
- As per B) above, except the period concerned is 6th July to 12th July.
- As per C) above except the partial pay period is from the 6th June to 10th June.
- As per D) above. This also equals 26.43.
- As per E) above rounds up to 27.

For this claim period, the result of each pay period's calculation is added together (27 + 27 =54 hours).

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Carol's 'usual' hours for this claim period is 54 hours. If Carol works for 30 hours during this claim period then the CJRS claim is based upon 24 hours of furlough (54 hours – 30 hours).

Example 6

Ray Walker has worked variable hours for Aspo Ltd for many years. He is paid every two weeks and was furloughed on 23rd March.

Aspo Ltd calculates that Ray worked 1,850 hours between 6 April 2019 and 22 March 2020. This includes any hours that Ray received holiday pay for.

Ray will be paid for the pay period 1 July 2020 to 14 July 2020, and his employer is looking to make a flexible furlough claim for the same period (1 July 2020 to 14 July 2020).

Aspo Ltd works out the average number of hours worked in the 2019/20 tax year as follows:

1. Start with 1850 (the number of hours worked (including paid leave) in the 2019/20 tax year before Ray was furloughed)
2. Divide by 352 (the number of calendar days Ray was employed by Aspo Ltd in the 2019/20 tax year, up until the day before Ray was furloughed)
3. Multiply by 14 (the number of calendar days in the pay period (or partial pay period) which Aspo Ltd is claiming for) = 73.58. In this case it is for the full pay period.
4. Round up to the next whole number because the outcome isn't a whole number = 74

Using the 'average' method, Ray's usual' hours is 74.

However, Aspo Ltd will also need to work out the usual hours based on the corresponding calendar period in the 2019/20 tax year, and use the higher figure for the usual hours.

Example 7

Luke Joyce has worked variable hours for Bycars Ltd for a number of years. He is paid weekly.

Bycars Ltd is looking to make a flexible furlough claim for the period 20 July 2020 to 26 July 2020 in respect of Luke.

Bycars Ltd works out the usual hours based on the corresponding calendar period in the 2019/20 tax year. The corresponding calendar period in 2019 is 20 July 2019 to 26 July 2019. That period covers two pay periods in 2019:

- 15 July 2019 to 21 July 2019 (2 calendar days overlap with the 2020 pay period – 20 to 21 July)
- 22 July 2019 to 28 July 2019 (5 calendar days overlap with the 2020 pay period – 22 to 26 July)

In 2019, Luke worked the following hours:

- in the pay period starting 15 July 2019 - 28 hours
- in the pay period starting 22 July 2019 - 35 hours

Luke's employer works out the usual hours based on the corresponding calendar period in the 2019/20 tax year 2019 to 2020 as follows:

1. Start with 28 (the number of hours worked in the first pay period identified in the 2019/20 tax year i.e. 15th July to 21st July 2019)
2. Multiply by 2 (the number of calendar days in that pay period which correspond to at least one calendar day in the pay period (or partial pay period) Bycars Ltd is claiming for – 20 and 21 July 2020)
3. Divide by 7 (the total number of calendar days in the pay period in the 2019/20 tax year) = 8

Step 4 is that steps 1, 2 and 3 are repeated for each subsequent identified pay period. Luke's employer will need to repeat steps 1, 2 and 3 for the next pay period:

1. Start with 35 (the number of hours worked in the next pay period identified in the 2019/20 tax year i.e. 22nd July to 28th July 2019)
2. Multiply by 5 (the number of calendar days in that pay period which correspond to at least one calendar day in the pay period (or partial pay period) Bycars Ltd is claiming for – 22 to 26 July 2020)
3. Divide by 7 (the total number of calendar days in the pay period in the tax year 2019 to 2020) = 25

There are no more pay periods in 2019 to consider:

1. Add them altogether, $8 + 25 = 33$
2. Round up to the next whole number if the outcome isn't a whole number.

Using the 'corresponding' period method, Luke's 'usual' hours are 33.

Bycars Ltd will also need to work out the average number of hours worked in the 2019/20 tax year and use the higher figure for Luke's usual hours.

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