

Insights

CORONAVIRUS: THE UK GOVERNMENT'S JOB RETENTION BONUS SCHEME – KEY POINTS FOR EMPLOYERS

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On 8 July 2020, we reported on the UK government's Job Retention Bonus scheme. The Job Retention Bonus Scheme ("JRBS") is designed to incentivise employers to retain furloughed employees after the CJRS finishes at the end of October 2020. Employers will receive a one-off bonus of £1,000 for each furloughed employee who is still employed on 31 January 2021.

Today, the UK government has issued a policy paper providing more information in relation to the JRBS. The key details for employers to note are as follows:

- All employers are eligible for the JRBS, including recruitment agencies and umbrella companies.
- A new employer may be eligible to claim under the JRBS in respect of employees of a previous business who were transferred to the new employer if either TUPE applies, the PAYE business succession rules apply to the change in ownership, or there is a business transfer where TUPE would have applied if the company was not in compulsory liquidation. To claim under the JRBS under these circumstances, the transferred employees must have been furloughed and successfully claimed for under the CJRS by their new employer. An employer will not be eligible for a bonus under the JRBS in respect of any employee transferred under TUPE or under the business succession rules after 31 October 2020.
- Employers will be able to claim for employees who meet all of the following criteria:
 - were furloughed and had a CJRS claim submitted for them that meets all relevant eligibility criteria for that 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 Real Time Information (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.
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- Employers can claim under the JRBS 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;
 - If an employee was on statutory parental leave, returned after 10 June 2020 and was claimed for under the CJRS, then the employer will be able to claim under the JRBS in respect of that employee provided the other eligibility criteria are met.
 - If an employee is on a fixed term contract and was claimed for under the CJRS then their employer can claim under the JRBS 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.
 - The bonus will be taxable, so the business must include the whole amount as income when calculating their taxable profits for Corporation Tax or Self-Assessment.
 - Employers can bring claims under the JRBS from February 2021. In order to ensure that they can make a claim, 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 RTI reporting system. Employers should also make sure all of their CJRS claims have been accurately submitted and any necessary amendments have been notified to HMRC.

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