



Government Guidance on Job Retention Scheme for Corona Virus – 24th March 2020

Dear Client,

We realise many businesses are waiting for information from the government on how to claim the grant to pay you and your employees' wages. Unfortunately, the details of the scheme have not yet been released. This means the money for this is unlikely to be received until mid to late April. In anticipation of this information becoming available, here is the latest information on the scheme...

1. Government Grants – Job Retention Scheme

- HMRC will provide grants for up to 80% of salary, up to £2,500 per month. Employers can top up if they wish
- Can be back dated to 1st March 2020
- Will cover three months of pay to start off with
- HMRC expect the system to be in place and first payments made by end of April 2020, if not sooner
- Details on how to apply will follow in the coming days

Here is more information on the scheme from Indicator - FL Memo Ltd

CORONAVIRUS

The government has announced the Coronavirus Job Retention Scheme which will enable all UK employers, regardless of their size, to be able to access support to continue paying part of their employees' and workers' salaries for those who would otherwise have been laid off, made redundant or had their contracts terminated during the coronavirus pandemic. How do you access the scheme?

The finer details of the Coronavirus Job Retention Scheme, which is intended to avoid redundancies and protect jobs, have yet to be published as this is still very early days, but what we know so far is that you will need to:

- *designate affected workers who are temporarily not working during the coronavirus pandemic as "furloughed workers" and then notify your staff of this change. Note that placing employees on "furlough leave" requires an express term in their employment contracts which would permit this or you will otherwise need individual employees' express consent to this change of status (preferably obtained in writing by letter or email), but in the current climate employees are highly likely to agree*
- *submit information to HMRC about the workers that have been furloughed and their earnings through a new online portal that is being set up - HMRC will set out further details on the information required shortly.*

Furloughed workers must carry out no work for their employer. HMRC will then reimburse 80% of furloughed workers' wage costs provided they remain on payroll, up to a cap of £2,500 per

worker per month. This is a grant, not a loan. HMRC is working urgently to set up a system for reimbursement.

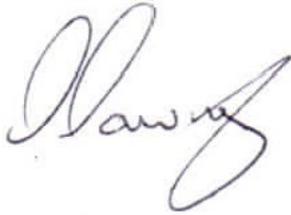
The scheme will cover the cost of wages backdated to 1 March 2020 and will be open initially for at least three months - but the government will extend the scheme for longer if necessary. Payments should be available from the end of April 2020 at the latest.

Other key points are:

- *it will cover workers who have already been laid off, made redundant or had their contracts terminated because of the coronavirus, but it's likely you will need to re-engage them first*
- *there's no requirement for your business to be closed to access the scheme, so you should be able to furlough some workers and not others*
- *furloughed workers aren't entitled to receive a top-up of their wages from you. It's up to you whether you wish to top up their wages further, e.g. from 80% to 100%*
- *employees and workers remain employed/engaged during the furlough period.*

Please take the steps necessary to ensure you are well positioned to follow the advice in this scheme. We will be here to help and support you through this process and will work with you to make grant applications as soon as the scheme opens.

Yours sincerely

A handwritten signature in black ink, appearing to read "Lawry".

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