

# JOB RETENTION BONUS

## 1. Scheme overview

The Chancellor of the Exchequer, Rishi Sunak, presented his 'Plan for Jobs' to Parliament on Wednesday 8 July 2020 outlining how the government will support the UK's economic recovery while continuing to prioritise people's health. As part of this, the government is introducing a new Job Retention Bonus to provide additional support to employers who keep on their furloughed employees in meaningful employment, after the government's Coronavirus Job Retention Scheme ends on 31 October 2020.

The Job Retention Bonus is a one-off payment to employers of £1,000 for every employee who they previously claimed for under the scheme, and who remains continuously employed through to 31 January 2021. Eligible employees must earn at least £520 a month on average between the 1 November 2020 and 31 January 2021. Employers will be able to claim the Job Retention Bonus after they have filed PAYE for January and payments will be made to employers from February 2021.

## 2. Which employers can claim the Job Retention Bonus

An employer will be able to claim the Job Retention Bonus for any employees that were eligible for the Coronavirus Job Retention Scheme and they have claimed a grant for. Where a claim for an employee was incorrectly made, a Job Retention Bonus will not be payable.

All employers are eligible for the scheme including recruitment agencies and umbrella companies.

Employers should ensure that they have:

- complied with their obligations to pay and file PAYE accurately and on time under the Real Time Information (RTI) reporting system for all employees
- maintained enrolment for PAYE online
- a UK bank account

Employers must keep their payroll up to date and accurate and address all requests from HMRC to provide missing employee data in respect of historic Coronavirus Job Retention Scheme claims. Failure to maintain accurate records may jeopardise an employer's claim.

HMRC will withhold payment of the Job Retention Bonus where it believes there is a risk that Coronavirus Job Retention Scheme claims may have been fraudulently claimed or inflated, until the enquiry is completed.

## 2.1 Employers that have employees who have been transferred under TUPE or due to a change in ownership

A new employer may be eligible to claim the Job Retention Bonus in respect of employees of a previous business which were transferred to the new employer if either TUPE applies, or the PAYE business succession rules apply to the change in ownership. A new employer may also be eligible to claim the Job Retention Bonus in respect of the employees associated with a transfer of business from the liquidator of a company in compulsory liquidation where TUPE would have applied were it not for the company being in compulsory liquidation.

To claim the Job Retention Bonus under these circumstances the transferred employees must have been furloughed and successfully claimed for under the scheme by their new employer. An employer will not be eligible for the Job Retention Bonus in respect of any employee transferred under TUPE or under the business succession rules after 31 October 2020.

## 3. Which employees an eligible employer can claim the Job Retention Bonus for

Claims will only be accepted for employees that were eligible for the scheme. Where a claim for an employee was incorrectly made, a Job Retention Bonus will not be payable.

Employers will be able to claim for employees who:

- were furloughed and had a Coronavirus Job Retention Scheme claim submitted for them that meets all relevant eligibility criteria for the 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 RTI records for the period to the end of January
- are not serving a contractual or statutory notice period, that started before 1 February 2021, for the employer making a claim

Employers can claim the Job Retention Bonus 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.

### 3.1 What earnings can be included in the £520 a month average minimum earnings threshold

Only earnings recorded through HMRC Real Time Information (RTI) records can count towards the £520 a month average minimum earnings threshold.

For an employee to be eligible, employees must have been paid at least £520 a month on average between 1 November 2020 and 31 January 2021.

Detailed guidance will be published in September 2020.

## 3.2 Employees who have returned from statutory parental leave

If an employee was on statutory parental leave, returned after 10 June 2020 and was claimed for under the scheme then the employer will be able to claim the Job Retention Bonus in respect of that employee provided the other eligibility criteria are met.

## 3.3 Employees who are military reservists returning to work

If an employee was mobilised as a military reservist, returned after 10 June 2020 and was claimed for under the scheme then the employer will be able to claim the Job Retention Bonus in respect of that employee provided the other eligibility criteria are met.

## 3.4 Employees who are on fixed term contracts

If an employee is on a fixed term contract and was claimed for under the scheme then their employer can claim the Job Retention Bonus 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.

# 4. How employers can claim the Job Retention Bonus

## 4.1 When employers will be able to claim the Job Retention Bonus

From February 2021, employers will be able to claim the Job Retention Bonus through GOV.UK. More detail about this process will be published in guidance by the end of September 2020.

## 4.2 How much employers will be able to claim

The Job Retention Bonus will be a one-off payment of £1,000 to the employer for every eligible employee that is claimed for. 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.

## 4.3 What employers should do now if they intend to claim the Job Retention Bonus

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 Real Time Information (RTI) reporting system. Employers should also make sure all of their Coronavirus Job Retention Scheme claims have been accurately submitted and any necessary amendments have been notified to HMRC.

Source: HMRC

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