



## 6 THINGS YOU NEED TO KNOW ABOUT FLEXIBLE FURLOUGH

### STEP 1: CHECK IF YOU CAN CLAIM.

You must have:

- Furloughed the employee for at least 3 weeks between 01.03.20 and 30.06.20
- Operated a UK PAYE scheme on or before 19.03.20
- Enrolled for PAYE online
- A UK bank account
- Submitted a Real Time Information report (RTI) to HMRC for the employee on or before 19.03.20

See the guidance here: <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

### STEP 2: CHECK WHICH EMPLOYEES YOU CAN CLAIM FOR.

The employees must have been:

- Employed on or before 19.03.20
- Included within a RTI report submitted on or before 19.03.20
- Furloughed for at least 3 weeks between 01.03.20 and 30.06.20
  - Note there are exceptions for employees returning from maternity, parental and other family leave after 10.06.20

See the guidance here: <https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme>

### STEP 3: CALCULATE HOW MUCH YOU CAN CLAIM.

- Speak to your accountant/ payroll team, or if doing it yourself:
  - Use the government's online calculator: <https://www.tax.service.gov.uk/job-retention-scheme-calculator/>; or, if doing it manually:
  - Work out the employee's usual hours of work
  - Work out:
    - The employee's maximum wage amount that can be claimed
    - Work out 80% of the employee's usual wage
      - See worked examples here: <https://www.gov.uk/guidance/calculate-how-much-you-can-claim-using-the-coronavirus-job-retention-scheme>
    - Work out your employee's minimum furlough pay which is the lesser of either:
      - 80% of their usual wage; or
      - the maximum wage amount.

- Work out how much you can claim for your employee's furlough pay
  - Up to 31.08.20 you can claim the full amount of the minimum furlough pay;
  - From 01.09.20 you can claim a lesser sum, calculated as follows:
    - Start with the amount of minimum furlough pay.
    - Divide by 80.
    - Depending on which month you're claiming for, multiply by:
      - 70 for September
      - 60 for October
  - Work out how much you can claim for employer National Insurance contributions (NICs)
  - Work out how much you can claim for employer's pension contributions

See the guidance here: <https://www.gov.uk/guidance/calculate-how-much-you-can-claim-using-the-coronavirus-job-retention-scheme>

#### STEP 4: MAKE YOUR CLAIM ONLINE.

- You will need:
  - To be registered for PAYE
  - The following details to hand:
    - Bank details;
    - PAYE reference number;
    - The number of employees being furloughed;
    - Each employees NI and payroll number;
    - The start and end dates of your claim;
    - Calculations of what you are claiming for wages, NICs and pension contributions;
    - Your name and phone number
    - For a claim for 100+ employees each employee's details set out in a spreadsheet

#### STEP 5: KEEP YOUR RECORDS UP TO DATE:

- Keep a copy of the following records (for six years):
  - the amount claimed and claim period for each employee
  - the claim reference number
  - your calculations
  - for employees who are flexibly furloughed, their usual hours including any calculations and the actual number of hours they have worked.



**STEP 6: ENSURE YOU HAVE NEW FLEXIBLE FURLOUGH AGREEMENTS:**

- in writing;
- for all furloughed employees after 1 July 2020;
- evidencing:
  - any part time working arrangements;
  - what the employee will be paid;
  - the employee's consent.