

---

## Job Retention Bonus Scheme

---

HMRC have now issued further guidance on how the Job Retention Bonus Scheme is to operate

We summarise extracts from this below:

### 1. Scheme overview

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*

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.

### 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.

#### **4. 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.

##### **4.1 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.

#### **5. How employers can claim the Job Retention Bonus**

##### **5.1 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.

##### **5.2 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.

##### **5.3 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.

If you have any queries please do not hesitate to contact us or visit our website for further information.

**Leofric House, Binley Road, Coventry, CV3 1JN**  
**Euston House, 12 Euston Place, Leamington Spa, CV32 4BN**  
**Coventry +44 (0)24 7625 1333 Leamington Spa +44 (0)1926 88 88 65**  
**Email: [accts@leigh-christou.co.uk](mailto:accts@leigh-christou.co.uk) Web: [www.leigh-christou.co.uk](http://www.leigh-christou.co.uk)**

**For information of users:** This material is published for the information of clients. It provides only an overview of the regulations in force at the date of publication, and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore no responsibility for loss occasioned by any person acting or refraining from action as a result of the material can be accepted by the authors or the firm.

Leigh Christou Ltd are registered as auditors in the UK and regulated for a range of investment business activities by the Association of Chartered Certified Accountants.

August 2020