

Furlough

Muslim Charities Forum

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Preventing People Problems

Furlough

- A temporary suspension of employment for a specified period of time, during which an employee does not receive wages
- Covid-19 Job Retention Scheme



Which businesses are eligible?

- UK organisation with employees. This includes:
 - businesses
 - charities
 - recruitment agencies (in respect of agency workers paid through PAYE)
- have created and started a PAYE payroll scheme on or before 28 February 2020
- Enrolled for PAYE Online
- have a UK bank account



Which employees are eligible?

- On the payroll on 28 February who are on furlough, including:
 - those who have been placed on unpaid leave after 28 February 2020, and
 - those who have been made redundant, or left, since 28 February 2020, if they are rehired by their employer
- including:
 - those on agency contracts, who are not working, and
 - those on flexible or zero-hours contracts
 - Salaried Directors (can do Statutory duties only and must have written Board resolution)
 - Office Holders
 - Nannies/Cleaners
 - Apprentices (can keep training)
 - Salaried partners of LLPs (PAYE)
 - Fixed Term contracts



What is reimbursed?

- 80% of usual wage costs, subject to usual deductions
- Cap of £2500 PLUS NI and minimum AE pension for the 80%
- Can use anytime during the 3 months of the scheme but only from the date the employee is furloughed
- Minimum furlough period is 3 calendar weeks
- You can top up to 100%, but the costs of the 20% are not reclaimable



Placing employees on furlough

- Employers should discuss with their staff and seek agreement - employees can refuse
- When deciding who to offer furlough to, equality and discrimination laws will apply
- To be eligible for the grant, employers should write to their employee confirming that they have been furloughed and keep a record of this communication
- The employer does not need to place all its employees on furlough
- Can do no work for the employer



How is it reimbursed?

- Online HMRC Portal to be introduced
- Payments from end April
- Grant, so no requirement to pay back
- Includes past overtime, compulsory commission and fees
- Can claim once every 3 weeks



How is it reimbursed?

- You will need
 - your ePAYE reference number
 - the number of employees being furloughed
 - the claim period (start and end date)
 - amount claimed (per the minimum length of furloughing of 3 weeks)
 - your bank account number and sort code
 - your contact name
 - your phone number
- You will need to calculate the amount you are claiming. HMRC will retain the right to retrospectively audit all aspects of your claim.



Do I have to top up Salary to 100%

- No obligation - but gain agreement

Do I have to offer Furlough?

- No, but it's about what is reasonable



Can I rotate staff on Furlough or Furlough them more than once?

- Yes, but has to be minimum 3 weeks

After Furlough can I still make staff redundant?

- Yes, review all options



The Charity receives public funds to run a service and employ staff, can they be Furloughed?

- No

Can my staff volunteer whilst they are on Furlough?

- Yes, as long as not providing services to their employer, or generate revenue for it.



I have an employee at home looking after their children, can I Furlough them?

- Yes

I have an employee at home shielding, can I Furlough them?

- Yes - but it depends



My fundraiser works 5 days a week but now only need them to work 2 days, can they be Furloughed for the other 3 days?

- No

If my employee has 2 jobs, if I Furlough them will it impact on their other job?

- No
- Furloughed from one and not the other



Can my employee who I have Furloughed get a job with a new employer?

- Yes if contract of employment permits

Can my employee undertake training?

- Yes, Training paid at NLW or NMW



Do I have to pay the wages first?

It Depends:

You should make the claim in accordance with actual payroll amounts at the point at which you run your payroll or in advance of an imminent payroll. So, for weekly paid, you need to keep paying them, for end of April monthly paid you should be able to claim before your next payroll is due



What rights does my Employee have whilst on Furlough?

- All rights maintained
- Still an employee - Statutory rights maintained

What happens if we cannot manage annual leave requests when everyone returns?

- You can carry 4 weeks over for 2 years



I have employees on variable pay and hours?

- If been engaged for 12 months prior to the claim, higher of:
 - Same month's earnings for the previous year
 - Average monthly earnings from the 2019/20 tax year
- If employed less than a year, average of monthly earnings since they started work
- If only started in February 2020, use pro rata earnings so far



When are staff entitled to Statutory Sick Pay (SSP)?

- Staff are entitled to SSP if they need to self-isolate because:
 - They have coronavirus
 - They have coronavirus symptoms (current guidance is that those with the above symptoms should self-isolate for 7 days)
 - Someone in their household has coronavirus symptoms (if someone has symptoms, everyone in their household must self-isolate for 14 days) or
 - They have been told to self-isolate by a doctor or NHS 111



Family leave

- For maternity leave must take at least 2 weeks off work (4 for factory/workshop) immediately following birth
- If eligible for SMP/MA usual rules apply
- If you offer enhanced contractual maternity pay you can claim this back from JRS
- Same principles apply for contractual adoption, paternity or shared parental pay
- The guidance does not prohibit women on maternity leave agreeing to return to work early and then being furloughed, or electing to change to shared parental leave and then being furloughed



What can you do as an Employer?

- Keep your staff up to date
- Review all alternatives
- Key work?
- Hand wash/sanitiser/2 metre rule
- Contracts and Agreements in place



Help for the Self-Employed

- a new self-employed income support scheme will pay self-employed people a taxable grant worth **80% of average monthly income**, capped at £2,500pm
- income will be calculated by taking the average of income over the last three years
- self-employed people can claim these grants **and continue to do business** (so it's not the same as furlough leave, where employees have to remain at home)
- the scheme is only open to anyone with trading profits of up to £50k (this covers 95% of self-employed people). Self-employed people who earn more will not qualify.
- the scheme is only open to those who make the majority of income from self-employment; if you are employed but have a 'side job' which is self-employed, you will not be eligible



Help for the Self-Employed

- the scheme is only those who have submitted a tax return for 2019 (this is to minimise fraud). However, those who did not submit their tax return by the due date of 31 January 2020, and have not yet submitted one, can still submit a tax return for 2019 for a further four weeks from today
- there are no steps to take. HMRC will contact eligible self-employed people directly and pay the grant straight into their bank account after inviting them to fill out an online form
- the self-employed income support scheme will be open to people across UK for at least 3 months. However, the scheme is **unlikely to be up and running before the end of June**, so it will not help with immediate cash flow issues.



The Unknown...

- the precise procedure for making a claim
- how long the employer can expect to wait before receiving a grant once a claim is successful
- the entitlement of an employee who becomes sick while they are on furlough
- whether an employee can take holiday during furlough and, if so, what that holiday should be paid at
- whether an employee can be furloughed simply due to social distancing requirements and vulnerable status



Thank you & Any Questions?

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