

Having left BEIS to unveil the “stick” yesterday (namely that employers who make furloughed employees redundant will need to pay them at their pre-furloughed rates- see alert on how badly that went for them [here](#)), today HMRC has issued more detail on the “carrot” – the Job Retention Bonus scheme – by way of an [announcement](#) and some accompanying [guidance](#). The JRB will see businesses receive a one-off payment of £1,000 for every previously furloughed employee who is still employed at the end of January next year. This is not taxable and does not have to be paid on to the employee in question. The message is clear – if at all possible, the government wants employers to retain employees once the furlough scheme ends.

It evidently hasn't escaped the government's notice that many businesses are already planning for difficult decisions as their receipts from the CJRS start to reduce from 1 August towards closure of the Scheme at the end of October (see more detail on that [here](#)). This seems to be the motivation for issuing this further information now, notwithstanding that the full details of the scheme will reportedly not be available until September.

However, the press release and new guidance document do provide some key points to note:

- **Eligibility:** Employers will be able to claim for employees who:
 - were furloughed and the subject of a valid CJRS claim
 - have been continuously employed by the employer from its 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. The employees do 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 reported to HMRC via RTI
 - have up-to-date RTI records for the period to the end of January
 - as at 31 January have not been given notice of dismissal for any reason

Employers can claim the JRB for all employees who meet these criteria, including office holders, company directors and agency workers, including those employed by umbrella companies. These criteria apply regardless of the employee's pay periods, hours worked and rate of pay.

The employer can also claim in respect of employees who had a CJRS claim submitted for them after 10 June (when the CJRS closed to new entrants) because they were returning from parental leave or time serving as a military reservist as long as they meet the other eligibility criteria.

Employers will be able to claim the JRB after they have filed PAYE returns for January and payments will be made to employers from February 2021

- **Compliance:** Importantly, where a claim for an employee under the CJRS was incorrectly made, a JRB may not be payable. 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 CJRS claims. Failure to maintain accurate records may jeopardise an employer's claim to the JRB. HMRC will withhold payment of the JRB where it believes there is a risk that CJRS claims may have been fraudulently claimed or inflated, until the enquiry is completed.
- **TUPE / PAYE Business Succession** – A new employer may be eligible to claim the JRB in respect of employees of a previous business which were transferred to it if the TUPE regulations or the PAYE business succession rules apply to the change in ownership. A new employer may also be eligible to claim the JRB in respect of incoming employees associated with a transfer of business from the liquidator of a company where TUPE would have applied were it not for the company being in compulsory liquidation.

To claim the JRB 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 JRB in respect of any employee transferred under TUPE or under the business succession rules after 31 October 2020.

- **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 JRB 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.

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