



On Friday, HMRC released further [guidance](#) for employers about the Job Retention Bonus Scheme, together with a new [Treasury Direction](#) (the law governing the scheme). These new publications do not provide a great deal more information than that released earlier in the summer, but any employers considering applying for the bonus should check the criteria to ensure they will be eligible to apply when the scheme opens in February 2021. Below is our quick guide to the new scheme. See also our recent [blog](#) on these latest developments.

<p><b>What is the Job Retention Bonus?</b></p>	<p>The Job Retention Bonus (JRB) is a £1,000 one-off payment that will be paid to employers by the government for every employee they furloughed under the Coronavirus Job Retention Scheme (CJRS) and kept continuously employed until 31 January 2021. The bonus is for the employer. It does not have to be paid to employees (unlike the furlough grant). It will be taxable as a corporate receipt, so the net benefit to the business is prospectively somewhat smaller than advertised.</p> <p>The aim of the scheme is quite simply to encourage employers to retain staff once the CJRS closes at the end of this month. If all furloughed staff are retained until 31 January 2021, it will apparently cost the government £9 billion, though there will no doubt be corporation and income tax receipts to offset that to a material degree.</p>
<p><b>Which employers are eligible to make a claim?</b></p>	<p>You can claim a bonus if you have furloughed employees, made an eligible claim for them under the CJRS and delivered certain up-to-date payment information to HMRC.</p> <p>Any employer that has repaid CJRS sums to HMRC (e.g. because trading conditions were not as bad as anticipated) will not be eligible to claim the JRB in respect of those affected employees.</p>

Which employees are covered?	<p>Employers can claim for employees who:</p> <ul style="list-style-type: none"> <li>• Were furloughed and the subject of a valid CJRS claim</li> <li>• Have been continuously employed by the employer from its most recent CJRS claim in respect of them until at least 31 January 2021</li> <li>• Are not under “notice of termination” (see below)</li> <li>• Have received at least one payment in each of the relevant three tax months (6 November 2020 to 5 February 2021), the total gross value of which must be at least £1,560; HMRC has produced <a href="#">examples</a> of employees and the minimum income threshold for these purposes</li> </ul> <p>Employers can claim for all employees who meet these criteria, including office holders and agency workers, provided in all cases that a valid claim was made for them under the CJRS.</p> <p>If the employer gives notice before the end of January then that is that and no JRB claim can be made. What is slightly unclear is what happens if it is the employee who gives notice. The guidance suggests that an employer would not be eligible to claim in respect of that employee because they would be “serving a contractual or statutory notice period”, which would seem to cover notice given by either party. The Treasury Direction on the other hand appears to refer to the employer not “terminating the employee’s employment” and mentions employees “on notice of termination”, which would seem to suggest that provided the employee is still in employment on 31 January, the employer could make a claim for them even if they have resigned and are working out their notice. It would seem unfair that an employer could forfeit the JRB through no fault of its own (and despite having incurred all the costs of keeping the employee on since the end of their furlough) but at this stage, the safest bet would probably be to assume that you cannot claim in respect of employees who give notice before the end of January.</p>
How can employers claim the bonus?	There will be another online system for claiming the bonus. Further guidance is to follow on how to access the online system once it has been set up.
When can employers submit their claim?	Employers will be able to make a claim between 15 February and 31 March 2021.
What about employees who have TUPE’d across?	According to the guidance, new employers may be eligible to claim the JRB in respect of employees of a previous business who have transferred across under the TUPE Regulations, but only where the transferred employees have been furloughed and successfully claimed for under the CJRS by the new employer, thereby excluding as a start all those incoming after 31 October this year.
What if you are contemplating redundancies?	As set out above, employees will have to be still in employment and not under notice on 31 January next year for a valid claim to be made in respect of them. Any redundancy notices that are served prior to the end of January 2021 will, therefore, mean the employer cannot make a claim in respect of those employees.
Is there any link with the Job Support Scheme?	The two schemes are separate, but the guidance for the JRB makes it clear that employers will be able to make a claim for a bonus even if they use the JSS, i.e. place staff on reduced hours, provided, of course, they can satisfy the minimum income threshold referred to above (£1,560 over the relevant three-month period).

## What should employers do now?

Accurate record-keeping is key to avoid any claim for the JRB being jeopardised. HMRC advises that employers take the following steps now to ensure they are ready to make a claim:

- Still be enrolled for PAYE online
- Comply with their PAYE obligations to file PAYE accurately and on time via Real Time Information (RTI) for all employees between 6 April 2020 and 5 February 2021
- Keep their payroll up to date and ensure they report the leaving date for any employees that stop working for them before the end of the pay period that they leave in
- Use the irregular payment pattern indicator in RTI for any employees not being paid regularly (this will include those payments made to staff to ensure that they are paid something in each of the three tax months from November to February referred to above)
- Comply with all requests from HMRC to provide any employee data for past CJRS claims

## Contacts

If you have any questions about the JRB, please speak to your usual contact in the Labour & Employment team or one of the following:



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