



GPA
uniting payroll
Q&A part 2

What changed?

- Requirement to be registered for PAYE online
- You can re-employ those who left after 28.2 if their new job was withdrawn
- Overtime, contractual commission and tips now included
- Salary sacrifice: COVID-19 is a 'lifestyle event'
- You can extend fixed term contracts
- You need to keep furlough documentation ie contract change for 5 years
- Part-period furlough means pro-rating £2,500/furlough amount

What was confirmed?

- Apprentices are included
 - guidance on them updated 6.4.20: <https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response/coronavirus-covid-19-guidance-for-apprentices-employers-training-providers-end-point-assessment-organisations-and-external-quality-assurance-pro>
 - Check they are on new apprentice rate as maybe training most of the time whilst furloughed
- Nannies are included (so are other domestic staff/carers)
- You can take a new job whilst furloughed
- You can be on maternity etc leave whilst furloughed (after the compulsory leave period)
 - No mention of bereavement leave but taken to be included if enhanced
- You can be furloughed after SSP but not during
- You can furlough those who are shielding or caring for someone who is shielding or providing care generally
- You use post-sacrifice pay

Common questions

- If I re-employ someone what should I pay them?
 - Start date would need to be original so HMRC can see they weren't a post-28.2 joiner
 - Whatever you've agreed contractually, but will they expect their former salary/benefits?
- If the end of the scheme is 31.5.20 what if that is part way through a furlough period?
 - As long as your furlough is for at least 3 weeks you'd be able to claim up until 31.5.20
- What happens to this weekend's bank holidays?
 - Employment lawyers say you can be on leave and furloughed - if so you would need to top up pay to 'normal remuneration for bank holidays or if not taken as leave add them to holiday entitlement post furlough NB based on the 52 week average that is now in force
 - So surely better for employer that the employee isn't on holiday now we have carry over
- If an employee isn't entitled to SSP on earnings grounds and is just shielding can they be furloughed straight away?
 - Yes

Common questions

- Salary sacrifice
 - Contract change must be in place before payday that it takes effect:
<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim42760>
 - So retro changes for March are not appropriate
- Do Court orders continue?
 - Only DEAs from DWP cancelled for 3 months but not local authorities?
- What do I do about National minimum wage uplift
 - Hours for training for pay periods after 1.4.20 must be paid at new rate
 - Reclaim is using old rate
- When can I make a reclaim?
 - First guidance said 'if payroll was imminent' now 'either shortly before or during running payroll'

Common questions

- If someone is salaried but was on maternity leave in February and is now back and furloughed can you use her pre-maternity salary as the basis for furloughing
 - It seems very unfair otherwise as her regular wage isn't the SMP
- Should I run the payrolls if my client/employer has no money so can't pay anything let alone 80%?
 - You could run to get the net pay so you know what the employer's liabilities are but not report
 - You'd then have to do a retro payment in April/May remembering it's two NI periods
- Can I furlough for less than 3 weeks?
 - Yes but you can only reclaim of it's a 3-week minimum block
- What does 'public sector funding' mean?
 - Little clarity still, guidance now says 'organisations are not primarily funded by the government'

What else have we come across?

- The impact on childcare voucher relief is April salary is in 20% tax band
- Foreign nationals on UK PAYE might be covered under two country's schemes!
- Reservists and Emergency Volunteering Leave
 - <https://bit.ly/2y00ReA>