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CHARTERED ACCOUNTANTS

JOB RETENTION BONUS

GUIDANCE

The Job Retention Bonus is a £1,000 one-off taxable payment to you (the employer), for each eligible employee that you furloughed and kept continuously employed until 31 January 2021.

You'll be able to claim the bonus between 15 February 2021 and 31 March 2021. You do not have to pay this money to your employee.

Who can claim

You can claim the bonus if you're an employer who has furloughed employees and made an eligible claim for them through the Coronavirus Job Retention Scheme. Your employee must have been eligible for the Coronavirus Job Retention Scheme grant for you to be eligible for the bonus.

You cannot claim the Job Retention Bonus until 15 February 2021. This guidance will be updated by the end of January 2021 with details on how to access the online claim service on GOV.UK.

You can still claim the bonus if you make a claim for that employee through the [Job Support Scheme](#). Guidance on the Job Support Scheme will be published soon.

If you have repaid Coronavirus Job Retention Scheme grant amounts to HMRC

You cannot claim the bonus for any employees that you have not paid using the Coronavirus Job Retention Scheme grant because you have repaid all the grant amounts you claimed for them. This applies regardless of the reason why you repaid the grant amounts.

Employees you can claim for

You can claim for employees that:

- you made an eligible claim for under the Coronavirus Job Retention Scheme
- you kept continuously employed from the end of the claim period of your last Coronavirus Job Retention Scheme claim for them, until 31 January 2021
- are not serving a contractual or statutory notice period for you on 31 January 2021 (this includes people serving notice of retirement)
- you paid enough an amount in each relevant tax month and enough to meet the Job Retention Bonus [minimum income threshold](#)

If HMRC are still checking your Coronavirus Job Retention Scheme claims, you can still claim the Job Retention Bonus but your payment may be delayed until those checks are completed.

HMRC will not pay the bonus if you made an incorrect Coronavirus Job Retention Scheme claim and your employee was not eligible for the Coronavirus Job Retention Scheme.

Employees who have been transferred to you under TUPE or due to a change in ownership

You may be eligible to claim the Job Retention Bonus for employees of a previous business which were transferred to you if:

- TUPE rules applied
- the PAYE business succession rules applied
- the employees were associated with the transfer of a business from the liquidator of a company in compulsory liquidation where TUPE would have applied if the company was not in compulsory liquidation

To claim the Job Retention Bonus for employees that have been transferred to you, you must have [furloughed and successfully claimed for them under the Coronavirus Job Retention Scheme](#), as their new employer. The employees must also meet all the relevant eligibility criteria for the Job Retention Bonus.

This means that you will not be able to claim the Job Retention Bonus for any employees who are transferred to you after the Coronavirus Job Retention Scheme closes on 31 October 2020.

Claiming for an individual who's not an employee

You can claim the Job Retention Bonus for individuals who are not employees, such as office holders or agency workers, as long as [you claimed a grant for them under the Coronavirus Job Retention Scheme](#) and the other Job Retention Bonus eligibility criteria are met.

The minimum income threshold

To be eligible for the bonus you must make sure that your employees have been paid at least the minimum income threshold.

To meet the minimum income threshold you must pay your employee a total of at least £1,560 (gross) throughout the tax months:

- 6 November to 5 December 2020
- 6 December 2020 to 5 January 2021
- 6 January to 5 February 2021

You must pay your employee at least one payment of taxable earnings (of any amount) in each of the relevant tax months.

The minimum income threshold criteria apply regardless of:

- how often you pay your employees
- any circumstances that may have reduced your employee's pay in the relevant tax periods, such as being on statutory leave or unpaid leave

We will check that your employees have been paid at least the minimum income threshold by checking information you've submitted through Full Payment Submissions via Real Time Information (RTI).

What payments are included in the minimum income threshold

Only payments recorded as [taxable pay](#) will count towards the minimum income threshold. Taxable pay is reported to HMRC as a single figure through Full Payment Submissions via Real Time Information (RTI).

Find [examples of employees and the minimum income threshold](#).

If you are making redundancies

If you make redundancies, you must comply with the [normal rules for redundancy](#), which include using [fair redundancy criteria](#). These rules apply even if this means that fewer of your employees are eligible for the Job Retention Bonus.

Get ready to claim

You cannot claim the bonus until 15 February 2021. This guidance will be updated by the end of January 2021 with details on how to access the online claim service on GOV.UK.

Before you can claim the bonus, you will need to have reported all payments made to your employee between 6 November 2020 and 5 February 2021 to HMRC through Full Payment Submissions via Real Time Information (RTI).

There are some steps you need to take now to make sure you're ready to claim.

You must:

- still be enrolled for PAYE online
- comply with your PAYE obligations to file PAYE accurately and on time under Real Time Information (RTI) reporting for all employees between 6 April 2020 and 5 February 2021
- keep your payroll up to date and make sure you report the leaving date for any employees that stop working for you before the end of the pay period that they leave in
- use the [irregular payment pattern indicator](#) in Real Time Information (RTI) for any employees not being paid regularly
- comply with all requests from HMRC to provide any employee data for past Coronavirus Job Retention Scheme claims

Using an agent to do PAYE online and claim the Job Retention Bonus

If you use an agent who is authorised to do PAYE online for you, they will be able to claim the Job Retention Bonus on your behalf.

This guidance will be updated by the end of January 2021 with details on how agents can claim the bonus for you.

Tax treatment of the Job Retention Bonus

You must include payments you receive under the scheme as income when you calculate your taxable profits for Income Tax and Corporation Tax purposes.

Businesses can deduct employment costs as normal when calculating taxable profits for Income Tax and Corporation Tax purposes.

Individuals with employees that are not employed as part of a business (such as nannies or other domestic staff) will not have to pay tax on grants received under the scheme.

When the government ends the scheme

You will have until 31 March 2021 to make a Job Retention Bonus claim after which the scheme will close. No further claims will be accepted after this date.

You will not be able to claim until 15 February 2021 and this guidance will be updated by the end of January 2021 with details on how to access the online claim service.

Contacting HMRC

We are receiving very high numbers of calls. Contacting HMRC unnecessarily puts our essential public services at risk during these challenging times.

Get help online

Use [HMRC's digital assistant](#) to find more information about the coronavirus support schemes. You can also [contact HMRC](#) if you cannot get the help you need online.