

**Subject: Coronavirus Job Retention Scheme (CJRS) - Furlough - Claims for January 2021**

Dear Colleagues,

We are writing to confirm details for those schools who wish to consider furloughing staff for January 2021 and possibly beyond. You may be aware that the government has confirmed that the scheme will now run until April 30<sup>th</sup> 2021. With the commencement of the recent national lockdown we wanted to remind schools about eligibility criteria and the process for making a claim.

We will ask schools to complete any claims on a monthly basis. We are only given until the 14<sup>th</sup> of the month, following the claim period, to submit our claim to HMRC. Therefore, we would ask schools to ensure they get any furlough claim they wish to make to us on the first working day of the month following the claim period. This gives us time to process the claim ready for submission. For January claims this means that we are asking schools to submit their claims by Monday 1<sup>st</sup> Feb 2021. Please send your claim by email to Jackie Bouchier, [jbouchier@ealing.gov.uk](mailto:jbouchier@ealing.gov.uk) The claim form to use for January 2021 is attached and instructions on how to complete it.

As the new national lockdown may generate interest on furlough claims among schools who are not familiar with the eligibility criteria, we have set out the main principles in the bullet points below. You can also read on this link <https://www.gov.uk/government/publications/coronavirus-covid-19-financial-support-for-education-early-years-and-childrens-social-care/coronavirus-covid-19-financial-support-for-education-early-years-and-childrens-social-care> how different sectors are affected and **we would in particular draw your attention** to the section on sector-specific guidance which covers both early years and state funded schools. **Please do read the section** that covers your sector and look at the illustrations that are provided.

- You can claim 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month. For periods from 1 November onwards, you can claim for employees who were employed on 30 October 2020, as long as you have made a PAYE Real Time Information (RTI) submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.
- **Schools are not expected, in general, to furlough staff.** However, it is understood that in some instances, schools may have a separate private income stream (for example, before and after school care provision, catering, sports facilities lettings, or boarding provision funded by parents in state boarding schools). Where this income has either stopped or been reduced and there are staff that are typically paid from those private income streams, it may be appropriate to furlough staff. Schools should first seek to make the necessary savings from their existing budget or consider options to redeploy these staff before furloughing them. Only after all other potential options have been fully considered should schools furlough those members of staff and seek support through the CJRS.
- For the period 1 November 2020 to 30 April 2021 the government grant will cover the full 80% of wages. Employers will not be required to contribute or top-up for the hours not worked. You will still need to pay employer National Insurance contributions and employer pension contributions, you cannot claim for these. You can choose to top up your employees' wages above the minimum 80% furlough pay amount but you do not have to. Employees must not work or provide any services for the business during hours which they are recorded as being on furlough, even if they receive a top-up wage.

- If a school decides not to top up the 80% provided through the grant, then they should take steps to ensure that employees are not overpaid. This is because the payrun for an employee will go through on the 26<sup>th</sup> of a month and the furlough claim does not get submitted until the end of the month/beginning of the following month. This will require you to notify the payroll team at the start of the month you are claiming for to adjust the salary of those staff who are being furloughed. A worked example of this is shown here:
  - *Employee Mark works 20 hours a month and gets £10 an hour. Normal gross salary £200 a month. Mark is furloughed for half of his hours and the school does not intend to top up payment for the furloughed hours. The calculation then for Mark's salary should be: 10 x normal hours @£10 = £100 and 10 x furloughed hours at 80% = £80. Mark should receive pay of £180 for the month. You will need to advise payroll to make a negative pay adjustment for 20% of the 10 hours that are furloughed (which in this example would come to £20).*
- Staff can be fully or flexibly furloughed in the role funded by private income. Flexible furlough means that someone works some of their hours in the claim period (in the private funded role) and is furloughed for the other hours.
- To be eligible for the grant, employers must have confirmed to their employee (or reached collective agreement with a trade union) in writing that they have been furloughed or flexibly furloughed. Employers should discuss any proposal to furlough with their staff and make any changes to the employment contract by agreement. This can be done by letter and template letters are attached.

In conclusion I must ask that those establishments making claims under the scheme ensure that they keep good records of the claims they make and justification for doing so. HMRC are at liberty to seek evidence to support the claims that are being made and you will see in the link provided above that the DfE are considering measures to monitor the use of the scheme and detect any duplication of funding.

If you do have any questions please do not hesitate to contact us in the Schools HR team.

Kind regards

Mark Nelson  
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