

# CORONAVIRUS JOB RETENTION SCHEME VERSION 3



## The third incarnation of the CJRS covered the period 1 November 2020 to 30 April 2021.

### Basic employee eligibility rules for version 3

Any individual employed at 30 October 2020 (on a full time, fixed period or variable contract) who had their earnings notified to HMRC via an RTI submission between 20 March 2020 and 30 October 2020 could be furloughed during this period.

Employees that were on statutory notice of redundancy at 31 October 2020 could be furloughed during November 2020 but from 1 December 2020 onwards, no CJRS claim can be made for an employee serving a redundancy or notice period. It is not necessary for an employee to have been furloughed under an earlier version of the CJRS.

Where an employee stopped working for the employer between 23 September 2020 and 1 November 2020 but had an RTI submission made for them anytime between 20 March 2020 and 30 October 2020 they could also be re-employed and furloughed for claims periods between 1 November 2020 and 30 April 2021.

Employees could now be flexi-furloughed which meant they could work for part of their normal work pattern and be furloughed for other parts of their work pattern (eg 2 days a week).

Whilst on a day/period of furlough they could undertake training provided this did not make money or services available to the employee (or any associated employer).

### Claim dates and deadlines

For version 3, claims have to cover at least a seven day period and can only cover days within the same calendar month eg only days in December 2020. The exception to this is where the claim covers the last or first day of the month and you have already claimed for the period ending immediately before it.

The claim must be made within 14 days of the end of the calendar month (unless this falls on a weekend then it is the next working day) - eg 14 January 2021 for December 2020.

### Did you make a mistake?

If you are not certain that your claims were 100% correct it is vital to get them reviewed by experts so that any errors do not come back to haunt your business. See [BDO's CJRS Claims review service](#)

### Correcting errors under version 3

Where an employer had missed an employee off their claim for a month, the claim could be amended within 28 days of the end of the calendar month (unless this falls on a weekend then it is the next working day).

**Underclaims** - it's not possible to correct an underclaim after 28 days, however, the employer is still required to make good to the employee any underpayment of grant within a "reasonable time frame". This applies even though they are unable to claim this back. Failure to do so puts at risk the whole employee's claim for that claim period.

**Overclaims** - must be notified to HMRC directly and either deducted from the next claim being made or arrangements made to make direct repayment to HMRC.

There is a requirement to notify HMRC within 90 days of either:

- ▶ The date they ceased to be entitled to the payment
- ▶ The time the payment is received

Failure to notify within this timeframe could lead to significant penalties.

With effect from April 2021 HMRC also provided the opportunity to make an overclaim disclosure via corporation tax and self-assessment tax returns.

### CJRS grant available

The grant was 80% of each eligible employee's reference pay (subject to a cap of £2,500 per month). Unlike earlier versions of CJRS, it isn't possible to make a claim for employer National Insurance or pension contributions.

### Calculation rules for reference pay

As in other versions, the reference pay rules for version 3 depend on whether an employee is engaged on a fixed salary or paid variably.

#### For employees on a fixed salary

Last RTI submission for employee	Reference pay	Usual hours
On or before 19 March 2020	Amount in last pay period ending on or before 19 March 2020	Contracted hours in last pay period ending on or before 19 March 2020
Between 20 March 2020 and 30 October 2020	Amount in last pay period ending on or before 30 October 2020	Contracted hours in last pay period ending on or before 30 October 2020

#### For variably paid employees

Last RTI submission for employee	Reference pay	Usual hours
On or before 19 March 2020	The higher of: 1. Average wages payable from later of date of employment started and 6 April 2019 and the day before being furloughed - or 2. Wages earned in corresponding calendar period in 2019/20	The higher of: 1. Average number of hours from later of date of employment started and 6 April 2019 and the day before being furloughed - or 2. Hours in corresponding calendar period in 2019/20
Between 20 March 2020 and 30 October 2020	Average wages payable from later of date of employment started and 6 April 2020	Average hours from later of date of employment started and 6 April 2020

Read more on the core principles of all versions of the CJRS at our [CJRS hub](#)

Learn how BDO can help you check you CJRS claims at [CJRS Claims review service](#)

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