

CORONAVIRUS JOB RETENTION SCHEME VERSION 2



The second incarnation of the CJRS covered the period 1 July 2020 to 31 October 2020.

Basic employee eligibility rules for version 2

Any individual employed at 19 March 2020 (on a full time, fixed period or variable contract) who had their earnings notified to HMRC via an RTI submission on or before 19 March 2020 could be furloughed during this period.

This applied provided they had also been furloughed at some point between 1 March 2020 and 30 June 2020 for a minimum of 3 consecutive weeks. There were some exceptional circumstances (eg employees returning from maternity leave and armed reservists).

In addition there was an employer override rule so that the maximum number of employees furloughed at any one time under version 2 could not exceed the maximum number for which a claim was made under version 1.

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 2, 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 under version 2 by 30 November 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 2

Where an employer had missed an employee off their claim for any period a corrected claim could be made by 30 November 2020.

Underclaims - underclaims could be corrected up to 30 November 2020.

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 by the later of:

- ▶ 20 October 2020.
- ▶ 90 days after the date they ceased to be entitled to the payment if later
- ▶ 90 days after 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 under version 2 varied according to which month a claim fell into as follows:

	July 2020	August 2020	September 2020	October 2020
Pay	80% of reference salary (subject to cap of £2,500)	80% of reference salary (subject to cap of £2,500)	70% of reference salary (subject to cap of £2,187.50) (10% top up by employer)	60% of reference salary (subject to cap of £1,875) (20% top up by employer)
Other elements	Employers NIC Employer pension contributions	None	None	None

Calculation rules for reference pay and usual hours

As in other versions, the reference pay rules for version 2 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 period	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

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

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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