

ARE YOU READY FOR THE 10 DAY CASH DASH?

HMRC are opening their portal for furlough claims on 20 April 2020. They now estimate up to 1/3 of private sector employees could be claiming Furlough at a cost of £30-40bn to the government.



The goal is to pay employers within 4-6 days of claims being made with the majority of claims **450,000** being paid by April 30 2020. HMRC have said they have capacity to deal with 450k claims per hour and hope to avoid any issues with the system by being open 24/7 and having 5,500 staff available to answer calls.

HMRC are, however, hopeful that the vast majority of employers claiming will be self-serve and won't need to go through the helpline.

The guidance being released will explain how to make this claim yourself. We know that further guidance on how to claim will be issued later this week and DLP will update clients as soon as we possible. In the meantime some information being discussed in legal circles which may assist and allow you to prepare is that;

1. You claim the 80% of wages from HMRC not the full 100% (ie you do the calculations not HMRC). Claims must be prepared properly, in advance of being made. Payroll bureaux cannot do this for you.
2. There is no official word on whether furlough will be extended past May, however legal thoughts are that this **may not happen. This is** based on three factors (and has certainly not been decided):

80%

- the number of people claiming is significantly higher than originally thought,
- **the** time period after May is being used by the Treasury to calculate and work with those who are self employed and
- the latest guidance offers hints that employers only have two options when this scheme ends: return staff to work on full pay, or make them redundant.

3. Latest guidance states employers will treat the Grant received to cover furlough monies as Income. This means it will be taxed in the normal way.



These are all important points each business may need to consider and plan for.