

## Coronavirus Job Retention Scheme (CJRS) for PSC's

### Key Points to Consider

The Government have confirmed that the CJRS applies to salaried individuals who are directors of their own personal service company (PSC). Furloughing only applies to your role as an employee of your company and does not extend to your **directors** duties.

### What does it mean to be furloughed?

If you decide to furlough yourself you must carry out **no work** for your company that is anyway income generating or related to providing your services to a client.

### Can I undertake any work?

You can continue to undertake the duties of a director including the statutory filing of accounts returns and tax payments. You can continue to review the viability of the business and make decisions accordingly.

### How long can I be furloughed for?

Furloughing is available from 1 March, but realistically you can only really furlough yourself from the time you ceased to have a contract. The minimum length of time an employee can be furloughed for is three weeks. The Government grant to support the scheme is available until the end of May, but may be extended if required.

### What will I be paid and what can I claim from the Government?

You have a choice. The Government Scheme allows you to reclaim up to 80% of your gross salary, per month to a maximum of £2,500. They will also reimburse the associated employers NI and any auto enrolment costs. You can choose to pay yourself your full salary and reclaim the 80% or you can reduce your salary to 80% and have a full reclaim. This level of support is available until the end of July 2020.

From August 2020, employers will be expected to cover the Employers NIC and pension costs and the Government will reduce its contribution to Gross salary costs. An 80% contribution will remain for August 2020, reducing to 70% in September and 60% in October. The scheme closes on 31 October 2020.

### How do I claim back the grant and when will it come through?

You should continue to run and report payroll as normal, subject to deciding if you are taking 80% or 100% salary. The reclaim will be a separate process.

HMRC are creating a new claims portal. This is due to be open from Monday 20th April. Your accountant will be able to make the claim on your behalf if they are registered your Agent for PAYE. First grants are expected to be paid by 30 April.

### How do I go about furloughing myself and my employees?

If you wish to Furlough yourself or your employees you will need to let your accountant know. They will then forward you the relevant paperwork that needs to be completed and arrange to amend your payroll if necessary.

If you have questions or if we can help in any way, please contact your Orange Genie Accountant or call our expert team on 01296 468 185