

## **For attention of Bursars and Business Managers for OCC Maintained Schools and Schools where Governors are the Employer.**

### **Coronavirus Job Retention Scheme - Update on furlough income**

#### **Introduction**

The original guidance [Important action notice for OCC maintained schools and schools where Governors are the employer](#) set out the details of the Coronavirus Job Retention Scheme. This document provides further details on how the calculation has been made.

#### **Furlough Income will be Posted to GL6621**

For schools who have met the eligibility criteria we have been advised by the IBC that the income has been received from HMRC and distributed under GL6621 (Job Retention Scheme)

#### **Calculating the Claim Value : Gross Pay**

Claims are being made based on 80% of earnings during the furlough period. For casuals this is based on claims entered for the claim month (these may have been paid in later months).

##### ***Example Calculation Salaried Employee***

Employee furloughed 23 March 2020 to 31 May 2020

Monthly Salary = £1,827.79

March Claim Value = £424.52 (1827.79 / 31 [days in March] \* 9 [furlough days in March] \* 80%)

April Claim Value = £1,462.23 (1827.79 \* 80%)

May Claim Value = £1,462.23 (1827.79 \* 80%)

##### ***Example Calculation Casual Worker***

Worker furloughed 20 March 2020 to 30 April 2020

March (whole month) Claims Entered = 37.50 hours total paid (in April) £378.24

March Claim Value = £117.13 (378.24 / 31 [days in March] \* 12 [furlough days in March] \* 80%)

April (whole month) Claims Entered = 15.00 hours total paid (in May) £151.30

April Claim Value = £121.04 (151.30 \* 80%)

#### **Calculating the Claim Value : National Insurance**

Claims are calculated based on 80% of National Insurance paid for the claim period

##### ***Example Calculation Salaried Employee***

Employee furloughed 23 March 2020 to 31 May 2020

Monthly Salary = £1,827.79 Employers NI Paid = £153.01

March NI Claim Value = £35.54 (153.01 / 31 [days in March] \* 9 [furlough days in March] \* 80%)

April NI Claim Value = £122.41 (153.01 \* 80%)

May NI Claim Value = £122.41 (153.01 \* 80%)

##### ***Example Calculation Casual Worker***

Worker furloughed 20 March 2020 to 30 April 2020

March (whole month) Claims Entered = 37.50 hours total paid (in April) £378.24

April (whole month) Claims Entered = 15.00 hours total paid (in May) £151.30

Employee has not earned enough to pay NI – no claim

### **Calculating the Claim Value : Pension Contributions**

Claims are calculated based on the minimum legal contribution required for an employer paying 80% of earnings. This is 3% on earnings over £520 per month (£512 in March 2020). This does mean for vast majority of school staff there are no pension contributions eligible for reclaim.

#### ***Example Calculation Salaried Employee***

Employee furloughed 23 March 2020 to 31 May 2020

Monthly Salary = £1,827.79 Employers Pension Paid £360.68

March Pension Claim Value = £8.28  $((1827.79 / 31 \text{ [days in March]} * 9 \text{ [furlough days in March]} * 80\%) \text{ MINUS } (£512 / 31 \text{ [days in March]} * 9 \text{ [furlough days in March]}) * 3\%)$

April Pension Claim Value = £28.27  $((1827.79 * 80\% - 520) * 3\%)$

May Pension Claim Value = £28.27  $((1827.79 * 80\% - 520) * 3\%)$

#### ***Example Calculation Casual Worker***

Worker furloughed 20 March 2020 to 30 April 2020

March (whole month) Claims Entered = 37.50 hours total paid (in April) £378.24 Pension Contributions £89.57

April (whole month) Claims Entered = 15.00 hours total paid (in May) £151.30 Pension Contributions £35.83

Worker's furlough gross earnings are less than the £520.00 threshold - no pension contributions can be claimed.

### **Income Posting**

The Payroll Support Team in the IBC will be responsible for making the final claim under the CJRS. The grant will be distributed to the employee's home cost centre under GL Code 6621 (Job Retention Scheme). The entry will include a text confirming the claim Month and Personnel Number.

Claim Month	March	April	May	June	July	August	Sept	Oct
Deadline for entering absence	15 June	15 June	15 June	30 June	31 July	31 Aug	30 Sept	31 Oct
Date Income expected	7 July	7 July	7 July	31 July	31 Aug	30 Sept	31 Oct	30 Nov