

# Applying Furlough Payments to PAYE Employees

Furlough payments will be processed via Step 2 – Additional information. To navigate there, take the following steps:

The screenshot shows the EnrolPay interface. At the top left is the EnrolPay logo. To the right are links for 'my account', 'my portal', and 'logout'. Below the logo, it says 'Test' and 'Period: 02/2020, Pay Date: 31/05/2020'. A progress bar shows four steps: Step 1 (Pay Period Details), Step 2 (Additional Information), Step 3 (Auto Enrolment), and Step 4 (Summary & Submit). Step 2 is highlighted with a blue arrow and a '1' callout. Below the progress bar, the title 'Step 2 - Additional Information' is displayed. There are five tabs: 'Deductions', 'Statutory Sick Pay', 'Child Leave', 'Student Loan', and 'Furlough Payment'. The 'Furlough Payment' tab is selected and has a '2' callout. Below the tabs is a table with columns: 'Payroll No.', 'Employee', 'Payment', 'Start Date', 'End Date', 'Full Amount', '80% Reduced Amount', and an 'Add' button (+). The table is currently empty, showing 'No records'. A '3' callout points to the 'Add' button.

1. Select “Step Two” button or hit “Next” from Step 1
2. Select the Furlough Payment Tab
3. Select the “Add” button



## Adding the Payment Details

The screen display holds all the details you need to record the Furlough payment. Please note that you should have followed the correct Employment Law procedure prior to placing your employees on Furlough due to lack of work for them. We would highly advise you contact an Employment lawyer to aid you to take all the necessary steps to place employees on Furlough.

Once an employee is correctly placed on Furlough you will need to calculate the full gross pay they would have received if business was functioning as usual. To calculate the Full Gross Pay Amount use one of the following methods:

**1. Full time and part time employees**

For full time and part time salaried employees, the employee's actual salary before tax, as of 28 February should be used. Fees, commission and bonuses should not be included.

**2. Employees whose pay varies**

If the employee has been employed for a year or more, this will be the higher of either:

- The same month's\* earnings from the previous year
- Average monthly\* earnings for 2019/20 tax year

Fees, commission and bonuses should not be included.

If the employee has been employed for less than a year this will be the average of their earnings since they started.



Once you have calculated the full gross pay, take the steps detailed below:

**Edit Furlough**

**Job Retention Scheme for COVID 19**

HMRC will pay a grant of the lower of 80% of an Employee's regular wage or £2500 per month. In addition, the associated Employer's NI contribution and minimum Auto Enrolment Employer's pension will be added. This will ONLY apply to Employees who were on your PAYE payroll on the 28th February 2020.

Select Employee

1

Start Date: 01/04/2020 2

End Date: 30/04/2020 3

Full Amount\*: 2500.00 4

80% Reduced Amount: 2000.00 5

**Calculation of the employee's wage (Full Gross Pay Amount)**

- **Full time and part time employees**  
For full time and part time salaried employees, the employee's actual salary before tax, as of 28 February should be used. Fees, commission and bonuses should not be included.
- **Employees whose pay varies**  
If the employee has been employed for a year or more, this will be the higher of either:
  - The same month's\* earnings from the previous year
  - Average monthly\* earnings for 2019/20 tax yearFees, commission and bonuses should not be included.

If the employee has been employed for less than a year this will be the average of their earnings since they started.

\*£2500 refers to a monthly pay period. Please pro-rate in accordance with your actual pay period -Weekly: £576.92 / Fortnightly: £1153.85 / Four Weekly: £2307.69

Once you have calculated the "regular" wage, please enter this in the Full Gross Pay Amount field in the table below. The system will then work out the 80% value.

The Start Date and End Date fields MUST be the dates for Furlough in this pay period that fall in the current range dates **01/04/2020** to **30/04/2020**. a

Furlough cannot start before 1st March 2020 and will end 30th May 2020.

6 Close Save Changes

1. Select the employee's name from the drop down
2. Enter the Date you are paying Furlough from, in the current period

- a. This date must be within the current pay range – the system will display your current range for your reference
3. Enter the Date you are paying Furlough to, in the current period
  - a. This date must be within the current pay range – the system will display your current range for your reference
4. Enter the Full Pay Amount the employees would have been paid for the Furlough period
5. The system will calculate the 80% due under the scheme
  - a. The government has placed a limit of how much will be paid dependant on your pay period frequency. The scheme pays 80% or the limit whichever is less – limits are below for reference (please note that the system will prorate the allowance if the furlough period is shorter than the current period)
    - i. Annually: £30000
    - ii. Monthly: £2500
    - iii. Weekly: £576.92
    - iv. Fortnightly: £1153.85
    - v. Four Weekly: £2307.69
6. Save the change

The system will then add a payment to the employee's payroll record.

1. The payment will display 80% being paid rather than the full amount

As an employer you can choose to pay additional payments. If no additional payments are being made, either remove the units or delete the payment type in step one

Payslip:                      Payroll No: 123

Payments				Deductions	
Payments	Units	Rate	Amount	Deductions	Amount
Salary Payment	0.00	1500.00	0.00	National Insurance	0.00
COVID 19 Furlough Payment	1	400.00	400.00	Tax	80.00
<b>Total</b>			<b>400.00</b>	<b>Total</b>	<b>80.00</b>

  

Tax Code	Week 1 Month 1	NIC Letter	Net Pay
OT	no	A	320.00

  

Year To Date Summary		Period Summary	
Gross Pay	2400.00	Gross Pay	400.00
Gross Taxable	2400.00	Gross Taxable	400.00
Ni Earnings	2400.00	Ni Earnings	400.00
Tax paid	480.00	Tax paid	80.00
Ni Paid	144.96	Ni Paid	0.00
Employers Ni Paid	174.98	Employers Ni Paid	0.00
Pension Employers AE/Non-AE	0.00/0.00	Pension Employers AE/Non-AE	0.00/0.00
Pensions AE/Non-AE	0.00/0.00	Pensions AE/Non-AE	0.00/0.00

# Continuing Furlough Payments

The furlough payment will continue in the employee's record. To amend the amount please navigate to:

- Step Two – Additional Payments > Furlough Payment Tab > Select the Edit pencil

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Payroll No.	Employee	Payment	Start Date	End Date	Full Amount	80% Reduced Amount			
123	[Redacted]	COVID 19 Furlough Payment	01/03/2020		2500.00	2000.00	1	[Pencil icon]	£



In the furlough payments details screen you can make the following amendments:

**Edit Furlough**

**Job Retention Scheme for COVID 19**  
 HMRC will pay a grant of the lower of 80% of an Employee's regular wage or £2500 per month. In addition, the associated Employer's NI contribution and minimum Auto Enrolment Employer's pension will be added. This will ONLY apply to Employees who were on your PAYE payroll on the 28th February 2020.

Select Employee

Start Date: 01/04/2020 (1)      End Date: 30/04/2020 (2)      Full Amount\*: 2500.00 (3)      80% Reduced Amount: 2000.00

**Calculation of the employee's wage (Full Gross Pay Amount)**

- Full time and part time employees**  
 For full time and part time salaried employees, the employee's actual salary before tax, as of 28 February should be used. Fees, commission and bonuses should not be included.
- Employees whose pay varies**  
 If the employee has been employed for a year or more, this will be the higher of either:
  - The same month's\* earnings from the previous year
  - Average monthly\* earnings for 2019/20 tax year
 Fees, commission and bonuses should not be included.

If the employee has been employed for less than a year this will be the average of their earnings since they started.

\*£2500 refers to a monthly pay period. Please pro-rate in accordance with your actual pay period -Weekly: £576.92 / Fortnightly: £1153.85 / Four Weekly: £2307.69

Once you have calculated the "regular" wage, please enter this in the Full Gross Pay Amount field in the table below. The system will then work out the 80% value.

The Start Date and End Date fields MUST be the dates for Furlough in this pay period that fall in the current range dates **01/05/2020 to 31/05/2020**. (a)

Furlough cannot start before 1st March 2020 and will end 30th May 2020.

Close Save Changes (4)

1. Change the Start Date to the period
  - a. Current Pay run dates
2. Change the End Date to the period
  - a. Current Pay run dates
3. Change the amount an employee is receiving – please remember to enter the full pay they would have received if business was running as normal
4. Save the changes

1. If you wish to add Furlough to an employee who has not been previously receiving it, select the "Add" option on the list header and enter the appropriate details.

**Step 2 - Additional Information**

Deductions    Statutory Sick Pay    Child Leave    Student Loan    Furlough Payment (1)

Payroll No.	Employee	Payment	Start Date	End Date	Full Amount	80% Reduced Amount	(1) +
123	[Redacted]	COVID 19 Furlough Payment	01/03/2020		2500.00	2000.00	[Edit] [Add] [£]

## Further Details

The functionality added may be subject to change if further details are released by the government. The system is being updated now to accommodate payment under the guidance currently set out and to start the gathering of information needed for you to provide HMRC with the details for claiming payment.

The details you enter into the Furlough payment screen are not the responsibility of Enrolpay Ltd. As an employer you are responsible for the accuracy of recording the information required for your payroll, including:

- Employees you are going to place on Furlough
- Consultation with the employees being placed on Furlough
- Formally notifying these employees they have been placed on Furlough and what that means regarding their pay and work responsibilities
- Identifying the earnings employees would have earned had they not been Furloughed in the relevant pay period
- Entering the correct earnings and dates into the Enrolpay COVID 19 Furlough Function
- Removing any payments or deductions no longer applicable (please note Child Leave statutory payments should continue as normal and will not be subject to Furlough.)
- Adding of any additional payments due to employees
- Under HMRC rules we will not be able to make your claim for you as we are file-only agents (RTI Submissions)