

Written evidence submitted by Ian Allardyce, Director, Really Nice Content Ltd.

RE: Annual submitters of PAYE RTI excluded from JRS.

I realise you must be inundated with evidence, so I'll be as succinct as possible.

I, and many other hard-working SME Ltd Directors are struggling with technicality relating to the JRS (Job Retention Scheme). Specifically HMRC's system for assessing our eligibility to place ourselves, as employees of our own companies, on furlough.

I'll try to explain the issue in a short paragraph but apologise as anything HMRC related is never simple!

On April 20th the JRS was announced. To counteract unscrupulous companies creating 'fake' jobs only to fraudulently place them on furlough, a retrospective 'cut-off' date to be eligible for JRS was set as March 19th. The system for HMRC to judge that a job was 'real' on that date is RTI (Real Time Information) of PAYE.

However, in any 'normal' year many company Directors make annual RTI PAYE submissions just prior to the Tax Year End on April 5th; a practice accepted by HMRC as completely regular for many decades. This has meant that many Directors who were IN THEIR JOBS on the March 19th and therefore legally eligible for JRS (as set out in the Coronavirus 2020 Act) are unable to claim due to having submitted their PAYE in that short two week period.

Many of us have been told by well-meaning HMRC advisors that, because we can prove our annual PAYE submissions going back many years, that they accept we ARE eligible for JRS but their internal systems do not allow them to manually place us on the scheme.

How can you help and what are we asking for? It is very simple. That the Treasury and HMRC initiate a JRS appeal process with dedicated phone-line (as claimants of SEISS have), so that any LTD Director legitimately IN THEIR JOB on March 19th can prove their eligibility through previous years' PAYE submissions and any other accounts documentation required by HMRC.

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With this guidance in place, HMRC officers would be able to retroactively place us in the JRS without the need for any change in the actual legislation (as we were 'in our jobs' on March 19th).

One final note: This issue is not to be confused with the wider conversations about the differences between LTD Directors and the Self Employed. It is only to highlight the discrepancy of LTD Directors not being able to put themselves on furlough due to the technicality outlined above. Especially as the Government has repeatedly stated that JRS is the sole financial support company directors can access when ineligible for all other schemes.

I appreciate this is a sticky mess and thank you for reading this far! In reality it is quite simple, the Treasury only need to address the 'gaps' in the implementation of financial support, not fundamentally change it, and in so doing help the hard-working people who have fallen through. Then we can all move on and hopefully get back to work!

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