EIC0648

Written evidence submitted by Jerry Williams (Managing Director at AMIFA Limited)

With reference to Coronavirus Job Retention Scheme (CJRS) and Excluded Company Directors

While this scheme has been welcomed,due to the necessary rapid speed at which it was legislated & implemented a number of people have been excluded.

These are directors of limited companies where their Pay As You Earn (PAYE) Real Time Information (RTI) returns to HMRC were submitted after the cut off date of 19th March 2020 for the CJRS 'furlough' scheme.

Company directors are allowed by HMRC to have what is known as an 'annual pay period'. This means that a directors salary only needs to be reported annually to HMRC, as opposed to weekly or monthly, via PAYE system using RTI (Real Time Information).

Many accountants, as I do, use this method of reporting as it is easier to do near to the end of the tax year when a fuller financial picture of the company is known.

However, when the legislation for Coronavirus Job Retention Scheme (CJRS) was laid before Parliament the cut off date for 'furlough' payments was set at 19th March. This has meant that anyone who was paid annually after this date and before 5th April would not be eligible. This is even if it was a known regular practice and done in previous tax years.

It appears that this has been an oversight and until legislation is changed HMRC say they cannot do anything about it. I have queried this direct with HMRC via webinars and online chats with their advisers and have had this confirmed.

This is a totally unfair situation given the fact that self-employed people, under the Self Employed Income Support Scheme (SEISS) who had not filed their self assessment 2018-2019 tax returns by the deadline of 31st January 2020 were given an extension to file their returns by 23rd April 2020.

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