

Capital Gold Payroll (4.08.02)

**Supporting Guide to using
Furlough processes**



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Coronavirus Job Retention Scheme

This document aims to give you guidance on processing Furlough payments in Capital Gold Payroll, making it easier to calculate what you can claim back from the government, using the Coronavirus Job Retention Scheme (CJRS).

The calculation is suitable for:

1. Monthly, weekly, two weekly and four weekly paid employees
2. Full pay period furlough
3. Full pay period furlough with top-up payments
4. Part pay period furlough
5. Part pay period furlough with top-up payments

Further information can be found [here](#).

Summary of Changes

1. Identify the pay element(s) you have used to make furlough payments
2. Identify the pay element(s) you have used to make top-up payments
3. Enter furlough dates for your furloughed employees
4. Print the new furloughed employees report. The report shows all employees' furlough pay for a selected range of pay periods, including their employer's NI and employer's pension reclaim values. The report will calculate your company's claim values for entry into the HMRC Job Retentions Scheme Portal
5. Create an output file that is suitable for upload to the Job Retention Scheme Portal. Like the report, the output file will include all your furloughed employees with your company's claim value

NOTE

IT IS IMPORTANT THAT YOU IDENTIFY THE PAY ELEMENT(S) YOU HAVE USED TO MAKE FURLOUGH PAYMENTS AND YOU ENTER YOUR EMPLOYEES' FURLOUGH DATES SO THAT WE CAN CALCULATE YOUR CJRS CLAIM ACCURATELY. IF YOU MAKE TOP-UP PAYMENTS, YOU MUST ALSO IDENTIFY THE PAY ELEMENT(S) YOU HAVE USED TO MAKE TOP-UP PAYMENTS.

IF YOU DO NOT WISH TO IDENTIFY SEPARATE PAY ELEMENTS FOR FURLOUGH PAY, WE CAN STILL HELP YOU CREATE AN OUTPUT FILE. TO DO THIS YOU MUST ENTER YOUR EMPLOYEES' FURLOUGH DATES. WE CANNOT GUARANTEE THE RECLAIM VALUES PRODUCED ON THE REPORT OR IN THE OUTPUT FILE WHERE YOU HAVE NOT IDENTIFIED THE FURLOUGH PAYMENTS SEPARATELY.

Preparation - Create New Pay Elements

If you have already created separate pay elements using our previous advice go to Step 1

Salaried Employees

For salaried employees we recommend you create a new payment with a name that is easily identifiable e.g. Furlough Payment or Furlough Payment 80%.

To do this:

1. From the **Company** menu, select **Alter Payments / Deductions**
2. Click **Add New** and choose **No** when asked if you would like to use the **Wizard**

Settings for New Payment/Deduction 21

ID Number Name

Category

+ or -

Type

Range check

Report Group

Clear to-date totals

Subtract Basic Rate Tax

Pension Qualifying Earnings

Benefit in kind Pensionable Earnings

Employer NI Saving Include in TP Tier Calc

Car Benefit

[What are Qualifying & Pensionable Earnings?](#)

3. From the **Category** dropdown, choose **Apply Before Tax & NI Calculation** as the payment is subject to tax and NI
4. Tick the **Qualifying Earnings** and **Pensionable Earnings** boxes

Once saved, you can use the new payment to pay your employees 80% of their usual pay.

Things to consider

- You will have to alter the normal payment (e.g. salary) each time you process payroll. Alternatively, you can temporarily set the salary to zero in the employee's record. If you want to continue paying your furloughed employee 100% of their pay, we advise that you follow the steps above to create a Furlough 20% payment and pay the 20% of salary against this payment/deduction
- We will not be able to calculate your NI and pension reclaim amounts accurately unless you do so
- If you do not set/adjust standard values in the employee details, you need to enter or import the furlough payment each pay period
- If you process costing in Capital Gold Payroll, you will have to assign a nominal code to the new pay element. To do this go to Company | Accounts Link | Configure Accounts Link | Payments/Deductions tab and enter a nominal code for the furlough payment

Hourly Paid employees

For hourly paid employees, we recommend you create a new pay rate with a name that is easily identifiable e.g. Furlough Payment or Furlough Payment 80%.

To do this:

1. From the **Company** menu, choose **Alter Company Details**
2. Select the **Pay Rates** tab and click **Add New**

No	Narrative	Amount	Fixed	Manual
3	Surgeon		<input type="checkbox"/>	<input type="checkbox"/>
4	Porter		<input type="checkbox"/>	<input type="checkbox"/>
5	Consultant		<input type="checkbox"/>	<input type="checkbox"/>
6	Administrar		<input type="checkbox"/>	<input type="checkbox"/>
7	Matron		<input type="checkbox"/>	<input type="checkbox"/>
8	Cleaner	11.8000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9	Mortician		<input type="checkbox"/>	<input type="checkbox"/>
10	Midwife		<input type="checkbox"/>	<input type="checkbox"/>
11	Pharmacist		<input type="checkbox"/>	<input type="checkbox"/>
12	Furlough Payment		<input type="checkbox"/>	<input type="checkbox"/>

Buttons: Add new, HMRC Details, Payment Summary, OK, Cancel

You will also have to indicate that the new hourly rate is part of Qualifying and Pensionable Earnings.

To do this:

1. Go to the **Pension** menu
2. Select **Configure Earnings**
3. Next to the relevant **Pay Rate**, tick **Qualifying Earnings** and **Pensionable Earnings**
4. Then **Save**

Rates	Qualifying Earnings	Pensionable Earnings
Doctor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nurse	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Surgeon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Porter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Consultant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Administrar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Matron	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cleaner	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mortician	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Midwife	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pharmacist	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Furlough Payment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

[What are Qualifying & Pensionable Earnings?](#)

Things to consider

- You will have to alter the normal hours paid each time you process payroll, or you could temporarily amend the hours and rate in the employee's record. If your employee's normal pay is 40 hours at £10 per hour, set the number of hours to zero in the Pay Screen Default section and pay the employee 40 hours using the new furloughed rate, setting the employee's rate to £8 per hour
- If you want to continue paying your furloughed employee 100% of their pay, we advise that you follow the instructions above and create a new rate for Furlough 20%. In the Pay Screen Default section, you could enter the 40 hours (using the example above) @ £2 per hour

Employee Details

Employee details - DUNSTON Arnold (1)

General | Period | Salary | Rates | Tax/NI | Pay/Deds | To-Date | Bank | Costing | SSP | Auto Enrol | Pensions

Hourly Rates for this Employee		No	Rate	£/Hour	Hours To-Date	H	£ To-Date	H
8	Cleaner			11.8000				
9	Mortician							
10	Midwife							
11	Pharmacist							
12	Furlough Payment			8.0000		9		9

Pay Screen Default for this Employee		Hours	Rate	Factor	Mult by
0.00	Doctor			Overtime	1.2500
40.00	Furlough Payment			Basic	1.0000

User-Defined | Clone | Furlough | OK | Save | Cancel

Original Payslip

DUNSTON Arnold W		NI No: NM342219B		NI Rate: A		Tax Code: 1254T	
Week No: 1	Employee No: 21	Dept: Neurology		Date: 10/04/2020			
Payments	Qty	Rate	Amount	Deductions		Summary this Week	
Basic	40.00	10.00	400.00	ER AE Pension	8.40	Gross Taxable	400.00
				EE AE Pension	14.00	PAYE Tax	31.60
						NIC	26.04
						Total Payments	400.00
						Total Deductions	71.64
						Net Pay	328.36
Details		Gross Taxable	400.00	Hols Left (Days)	22.50		
To-date:		PAYE Tax	31.60	Net Pay	328.36		
		NIC	26.04				
Riverside Hospital PLC				Payable by BACS		328.36	

Furloughed Payslip

DUNSTON Arnold W		NI No: NM983656A		NI Rate: A		Tax Code: 1254T	
Week No: 1	Employee No: 21	Dept: Neurology		Date: 10/04/2020			
Payments	Qty	Rate	Amount	Deductions		Summary this Week	
Furlough Pay 8	40.00	8.00	320.00	ER AE Pension	8.40	Gross Taxable	400.00
Furlough Pay 2	40.00	2.00	80.00	EE AE Pension	14.00	PAYE Tax	31.60
						NIC	26.04
						Total Payments	400.00
						Total Deductions	71.64
						Net Pay	328.36
Details		Gross Taxable	400.00	Hols Left (Days)	22.50		
To-date:		PAYE Tax	31.60	Net Pay	328.36		
		NIC	26.04				
Riverside Hospital PLC				Payable by BACS		328.36	

Employer Pension Contributions

HMRC state that you cannot claim any automatic enrolment contributions above the minimum mandatory employer contribution of 3% of income (above the lower limit of qualifying earnings which is £512 per month until 5th April and £520 per month from 6th April 2020 onwards).

The screenshot shows a software window titled "Employee details - KILDARE Kevin (12)". The window has a menu bar with options: General, Period, Salary, Rates, Tax/NI, Pay/Deds, To-Date, Bank, Costing, SSP, Auto Enrol, and Pensions. Below the menu bar is a table with the following columns: No, Description, Standard, Period Lower, Period Upper, To-Date, Carry Over, H, and Reference Number. The table contains two rows of data:

No	Description	Standard	Period Lower	Period Upper	To-Date	Carry Over	H	Reference Number
6	Pension Employee	5.00	LOWER	UPPER	0.00			
7	Pension Employer	10.00	LOWER	UPPER	0.00			

Below the table is a button labeled "AEO Settings". At the bottom of the window are several buttons: "User-Defined", "Clone", "Furlough", "OK", "Save", and "Cancel".

If you provide more than 3% in employer's pension contributions and do not want to be out of pocket for furloughed employees, you must reduce the employer contribution.

STEP 1: Identify Furlough Payments

Identify the pay element(s) you have used to make furlough payments.

To do this:

1. From the **Company** menu, select **Company Options**
2. Click the **Furlough** button and then select the **Configuration** tab
3. Place a tick in the **Furlough** column for any pay elements used specifically to make furlough payments
4. If you make top-up payments, place a tick in the **Top-up** column for any pay elements used specifically to make furlough top-up payments

The screenshot shows the 'Job Retention Scheme Settings' dialog box with the 'Configuration' tab selected. It contains two tables for configuring furlough payments.

Taxable/NIable Payments	Furlough	Top-up
Bonus	<input type="checkbox"/>	<input type="checkbox"/>
Furlough Payment	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Rates	Furlough	Top-up
Doctor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nurse	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Surgeon	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Porter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consultant	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Administrar	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Matron	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cleaner	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mortician	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Midwife	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pharmacist	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Furlough Payment	<input checked="" type="checkbox"/>	<input type="checkbox"/>

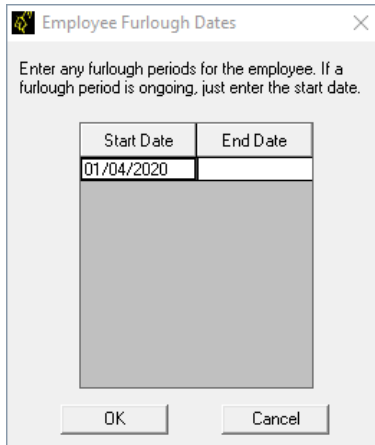
At the bottom of the dialog are 'OK' and 'Cancel' buttons.

STEP 2: Enter Employee Furlough Dates

Enter your Employee Dates

To do this:

1. From the **Employee** menu, select **Alter Current Employee**
2. Click the **Furlough** button and enter your employee's furlough dates



Employee Furlough Dates

Enter any furlough periods for the employee. If a furlough period is ongoing, just enter the start date.

Start Date	End Date
01/04/2020	

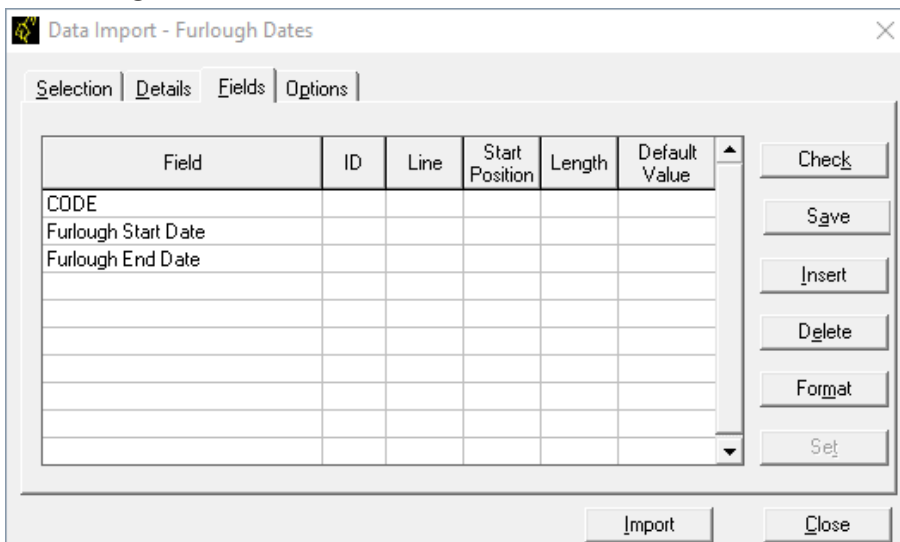
OK Cancel

Import Furlough Dates

If you have many employees for whom you would like to set the furlough dates, you may find it quicker setting up a csv file or excel file and importing the data. We have added Furlough Start Date and Furlough End Date to the import process.

To do this:

1. From the **File** menu, select **Import Data**
2. Click the **Add** button and choose not to copy the current structure
3. You can configure the following import structure. Perhaps at this point you may just need the **Furlough Start Date**



Data Import - Furlough Dates

Selection | Details | Fields | Options

Field	ID	Line	Start Position	Length	Default Value
CODE					
Furlough Start Date					
Furlough End Date					

Check Save Insert Delete Format Set

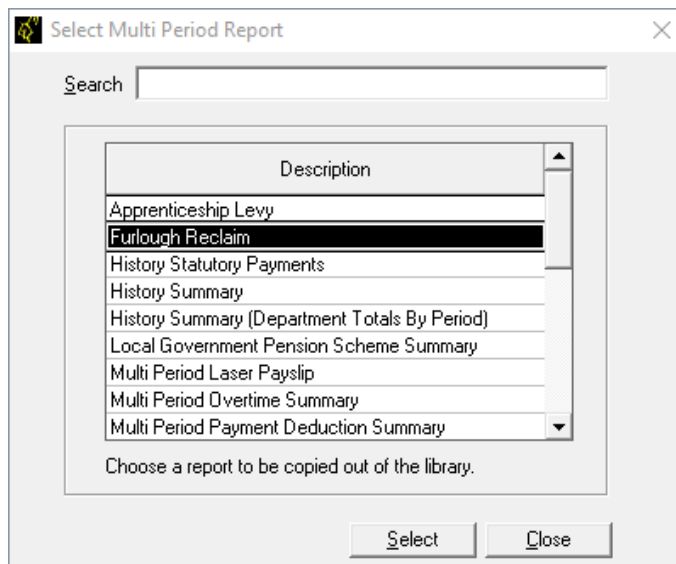
Import Close

STEP 3: Print Employee Furlough Report

Print your Furlough Reclaim report

To do this you will have to select the new report from the Report Library:

1. From the **Reports – Library Selection** menu, choose **Multi Period Reports**
2. Highlight **Furlough Reclaim** and click the **Select** button, or simply double click **Furlough Reclaim**



3. To print the report, go to **Reports - Multi Period Reports** and select **Furlough Reclaim**
4. Chose the pay period(s) for which you want to calculate your **Job Retention Scheme Claim**
5. The report displays furlough payment, employer's NI claim, employer's pension claim and total claim value. It will also display the top-up payments if you are using them

STEP 4: Create Output File for CJRS Portal

Create the Job Scheme Retention Claim file for upload to the CJRS Portal

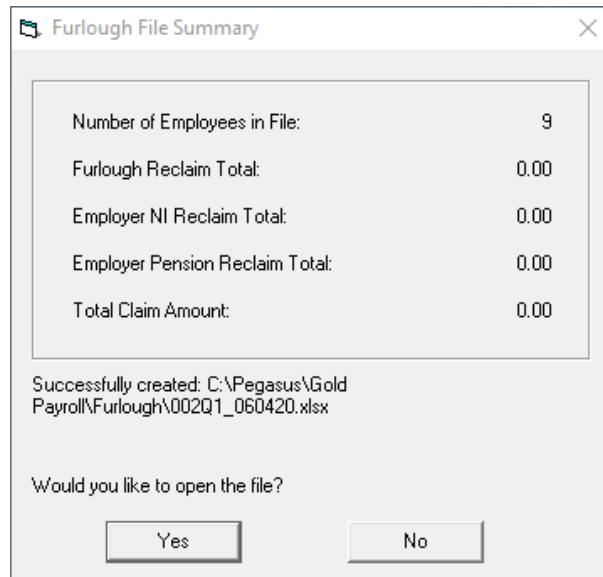
To do this:

1. From the **Company** menu, select **Company Options**
2. Click **Furlough** button and then select the **Furlough** tab

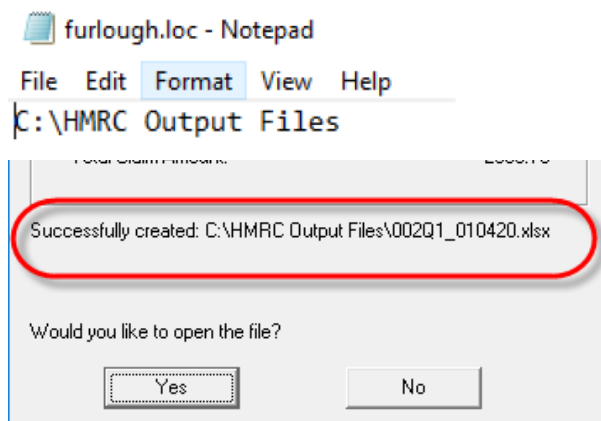
The screenshot shows the 'Job Retention Scheme Settings' dialog box with the 'Furlough' tab selected. The dialog is divided into two main sections: 'JRS Claim File' and 'Configuration'.
 In the 'JRS Claim File' section, there are three input fields for 'Company' (Company Registration Number, Corporation Tax Unique Reference Number, and Self Assessment Unique Reference Number). To the right, under 'Bank Account Holder', there are two input fields for 'First Name' and 'Last Name'. Below these are two input fields for 'Contact Details' (Name and Number).
 In the 'Configuration' section, there are two columns for 'Start Period' and 'End Period', each with dropdowns for 'Week No' (set to 9), 'Month No' (set to 2), and 'Year' (set to 2020/21). To the right, 'Claim Date Range' has two date pickers for 'Claim Period Start Date' and 'Claim Period End Date', both set to 17/06/2020. Below this, 'File Creation' has three radio button options: 'Use Payroll data' (selected), 'Use Gross Niable', and 'Manually enter Reclaim Values'. A 'Create File' button is at the bottom left of this section. To the right, 'Reclaim Values' has four input fields: 'Amount claimed for furlough pay', 'Amount claimed for Employer's NI', 'Amount claimed for Employer's Pension', and 'Total Claim Value', all set to 0.00.
 At the bottom of the dialog are 'OK' and 'Cancel' buttons.

3. Enter the appropriate **Company**, **Bank Account Holder** and **Contact Details** as required
4. Select your pay period or range of pay periods. If you have weekly and monthly paid employees, they must all be included in a single claim
5. Take care when entering the **Claim Date Range**. You are only allowed to make a single claim for the same claim period
6. If you identified your furlough payments, leave the File **Creation** option set to Use Payroll data
7. If you did not identify your furlough payments, but you have entered your employee's furlough dates, you can choose the **File Creation** option **Use Gross Niable**. This option assumes that all the employee's pay in the pay period is furlough pay and there is no top-up payment

8. If you did not identify your furlough payments, but you have entered your employee's furlough dates, you can choose the **File Creation** option **Manually** enter **Reclaim Values**. This option allows you to enter your **Reclaim Values**. You will also have to manually calculate your reclaim values for each employee and enter them into the file after you have created it
9. Select **Create File**
 - a. If you have already created a file for this claim period, you will be prompted to overwrite the existing file
 - b. You will receive confirmation when the file is created and be asked if you want to open the file



10. If you would like to change the location where the output file is created, you can create a file in the payroll program installation folder called **furlough.loc**. Simply type the file location into the file e.g. **C:\HMRC Furlough Claims**. In our example we created **furlough.loc** using **Notepad**



How much money do I claim?

You will receive a grant from HMRC to cover the lower of 80% of an employee's regular wage or £2,500 per month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage.

Employee is furloughed for part of a pay period

If an employee is furloughed part way through a pay period, only a portion of the employer's NI and employer's pension will apply to the furlough payment.

Assuming a monthly paid employee with annual salary of £24,000 is being paid in April 2020/2021. The employee is paid from April 1st to April 30th, works Monday to Friday and is furloughed from Monday 13th. The employee has 12 working days and 18 furloughed days in April. The employee in this example is on NI Letter A and has contributed 3% to an Automatic Enrolment scheme on earnings above £520.

Normal Pay	$£2,000 / 30 * 12$	£800.00
Furlough Pay	$(£2,000 / 30 * 18) * 80\%$	£960.00
Total Pay for Month 1		£1,760.00
Employer's NI on Gross of £1,760		£141.86
Employer's Pension on Gross of £1,760		£37.20

Proportion to claim back

You can claim back the proportion of the NI and pension associated with the furlough payment.

Employer's NI

$$(\pounds800 + \pounds960 - \pounds732) * 13.8\% = \pounds141.86$$

$$\pounds141.86 / 30 * 18 = \pounds85.11$$

Employer's Pension

Furlough Pay is £960

$$\pounds960 - (\pounds520 / 30 * 18) = \pounds648$$

$$\pounds648 * 3\% = \pounds19.44$$

NOTE: PAYROLL WILL NOT CALCULATE THIS FOR YOU IN A QUICK REPORT.

Paying Employees 100% of Pay

If you are paying employees 100% of pay while furloughed, you will have to work out how much employer's NI and employer's pension you can claim back.

The Quick Report will not calculate this for you.

Example

I pay an employee £3,500 (which is 100% pay). NI Letter A. Pension is 3% above £520. £2,500 is identified in the payroll as a separate payment element.

- Employer's NI is £381.98
- Employer's Pension is £89.40

Furlough Reclaim is:

Employer's NI:	$£2,500/3500 * 381.98 = £272.84$
Employer's Pension:	$£2,500 - £520 * 3% = £59.40$
Employee Payment:	£2,500.00
Therefore, I can only reclaim:	$£2,500.00 + £272.84 + £59.40 = £2,832.24$

Employment Allowance

NOTE: IF YOU ARE CLAIMING EMPLOYMENT ALLOWANCE, YOU MUST NOT CLAIM EMPLOYER'S NIC UNTIL YOU HAVE MET YOUR THRESHOLD. FOR INSTANCE, IF YOU ARE CLAIMING £4,000 EMPLOYMENT ALLOWANCE AND THE EMPLOYER'S NIC DUE IS LESS THAN £4,000, YOUR EMPLOYER'S NIC CLAIM WILL BE NIL.

What information do I need to make a claim?

To claim for furloughed individuals, you will need the following:

To claim, you will need:

- Your employer PAYE scheme reference number
- The number of employees being furloughed
- National Insurance Numbers for the furloughed employees
- Names of the furloughed employees
- Payroll/employee number for the furloughed employees (optional)
- Dates each employee was furloughed
- The claim value per employee
- Your Self-Assessment Unique Taxpayer Reference, Corporation Tax Unique Taxpayer Reference, Company Registration Number or Employer Name (as appropriate)
- The claim period (start and end date)
- Amount claimed (per the minimum length of furloughing of 3 consecutive weeks)
- Your bank account number and sort code
- Your contact name
- Your phone number

As advised in this document, you need to calculate the amount you are claiming. HMRC will retain the right to retrospectively audit all aspects of your claim.

If you use an agent who is authorised to act for you for PAYE purposes, they will be able to make a claim on your behalf. If you use a file only agent (who files your RTI return but doesn't act for you on any other matters) they won't be authorised to make a claim for you and you will need to make the claim yourself. Your file only agent can assist you in obtaining the information you need to claim (which is listed above). HMRC are endeavouring to make the claim process as straightforward as possible.

Useful Links

HMRC are endeavouring to make the claim process as straightforward as possible, for further information see:

- [Guidance to claim for wage costs through the CJRS](#)
- [Guidance to work out 80% of your wages to claim through CJRS](#)
- [CJRS calculator](#)

Temporarily Stop Direct Earnings Attachments (DEA)

The Department of Work and Pensions (DWP) is writing to employers asking them to temporarily stop benefit debt repayments. You should not take any DEA deductions from your employees' pay in April, May or June 2020. You will be told if this will be extended.

To do this in Capital Gold Payroll

1. Go to **Employee | Alter Current Employee**
2. Select the individual
3. On the **Pay/Deds** tab, click the **AEO Settings** button

No	Description	Standard	Period Lower	Period Upper	To-Date	Carry Over	H	Reference Number
1	Bonus	200.00	0.00	1000.00	2187.00			
2	Expenses				2153.00			
4	AWC	25.00			-225.00			
10	Season Ticket Loan	40.00			0.00			
11	Advanced Money				0.00			
12	Council Tax Order				0.00			
22	DEA Standard	0.00			0.00			

AEO Settings

User-Defined Clone Furlough OK Save Cancel

4. Take note of the **Outstanding Balance**. You will need to re-enter the value when advised to start taking the deductions again, currently planned for July 2020

No	Description	Issue Date	Standard	Original Amount	To-Date	Outstanding Balance	Reference Number	Agency Name
12	Council Tax Order		Auto	0.00	0.00	0.00		
22	DEA Standard	01/01/2019	Auto	1500.00	248.23	1251.77		

To configure new AEO deductions, you must first add them on the Pay/Deds tab in Employee Details.

OK Cancel

5. Set the **Outstanding Balance** to zero
6. Click **OK** and save your changes

For more information see: <https://www.gov.uk/government/publications/direct-earnings-attachments-an-employers-guide>