Coronavirus Job Retention Scheme: compliance update

Employment Tax **Management of taxes**

30 November 2021

The CIOT, ATT and LITRG are represented on the Coronavirus Job Retention Scheme External Stakeholder Forum. We continue to work with HMRC and other representatives to obtain clarity on a variety of compliance-related matters.

Whilst the Coronavirus Job Retention Scheme (CJRS) has now closed, and late claims or amendments can only be made in exceptional circumstances, many issues remain; particularly around HMRC's compliance approach, and identifying and correcting errors in claims.

We recently sought and obtained agreement from HMRC that CJRS overclaims could be offset against underclaims within a given claim period (see www.tax.org.uk/cjrsupdates and www.att.org. uk/cjrs_updates) with only the net amount being repayable. At the latest meeting of the forum on 3 November, HMRC also confirmed that underpayments to an employee would not jeopardise CJRS claims for that employee, provided the employee has been paid at least 80% of their salary over the entire period covered by the scheme.

We are continuing to seek clarification of several other points, including:

- whether there are calculation errors/misunderstandings that HMRC accept do not need correcting;
- how businesses (particularly businesses without a Customer Compliance Manager) and/or their agents can have a meaningful dialogue with HMRC about their circumstances without it automatically triggering a payment reference;
- whether any form of materiality can be applied (for example, per claim, per employee, etc.) to prevent employers having to calculate and correct errors of relatively trivial amounts; and

- how to ‘top up’ underpayments to employees where it has been deemed necessary to do so (particularly given that there are some complex tax and benefit implications).

We have provided HMRC with several scenarios to illustrate these points, which they are currently considering. We will provide further updates through our weekly email newsletters and in these pages when we are able to do so.