

FURLOUGH FRAUD AMNESTY - Do not forget to check your claims to avoid inadvertently over claiming

As of June 2020, 9.1 million jobs have been furloughed at a cost of £20.8 billion. The government is proposing a new Bill to allow them to investigate those who have claimed from the Coronavirus Job Retention Scheme (CJRS) and other income related support schemes and grants. The Bill would enable HMRC to prosecute those guilty of fraud or over claiming from these schemes.

In May 2020, Crossland Solicitors surveyed 2,000 furloughed workers, from a cross section of sectors and locations. 34% of those admitted they had been asked to work in some capacity by their employer.

HMRC have to date received over 3,000 calls from workers reporting a fraudulent claim. Whilst many workers may fear repercussions for whistleblowing, the draft legislation may permit HRMC to raise an income tax assessment on anyone who has received CJRS payments they are not entitled to receive, which could mean the employee directly. As such employers should not naively rely on employee goodwill or loyalty where fraudulent claims have been made.

Employers will have 30 days from the legislation becoming law, likely to be as early as July 2020, to inform HMRC of any monies over claimed, mistakenly or otherwise. After this amnesty, HMRC are likely to impose large fines and even prison sentences for company directors involved in over claiming.

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