

Fixed Pay Colleague

David earns £40,000 per annum plus a car allowance of £5,000 per annum. His monthly pay is 1/12th of his annual salary and car allowance and is the same pretty much every month. David is classed as a 'Fixed Pay' worker. David was informed that he would be placed on furlough leave from 25th March 2020.



This is how David's pay will be calculated:

Item	Amount £	Notes
Annual Gross Salary	£40,000	This is the Gross Annual Salary before any salary sacrifice adjustment for pension contributions
Annual Car Allowance	£5,000	This is the Annual Amount (£417 per month)
Normal Monthly Pay	£3,750	This is what David normally receives before any deductions
April Monthly Pay	£0,000	As David has been placed on furlough for the whole of April he will receive zero Normal Monthly Pay
CJRS Payment	£2,500	Under HMRC's Coronavirus Job Retention Scheme (CJRS) David will receive the lower of 80% of his normal salary* or £2,500 (which is the CJRS Cap*)
Marshalls Top Up to 100%	£1,250	As Marshalls has agreed to voluntarily 'Top Up' David's pay to his normal salary from 25 th March to 5 th May, this is the amount David will receive from Marshalls in his April salary
Revised Monthly Pay	£3,750	This will be subject to the usual deductions for Tax and NICs and the usual employee pension contributions will be made
*salary is the salary in place as at 28 th February 2020 after salary sacrifice savings deducted for pension scheme		



Variable Pay Colleague

Sarah earns £25,000 per annum. Her monthly pay is 1/12th of her annual salary and is the same pretty much every month. However, Sarah also regularly works overtime each month with the hours varying from month to month. Sarah is classed as a 'Variable Pay' worker. Sarah was informed that she would be placed on furlough leave from 25th March 2020.



This is how Sarah's pay will be calculated:

Item	Amount £	Notes
Annual Gross Salary	£25,000	This is the Gross Annual Salary before any salary sacrifice adjustment for pension contributions.
Normal Monthly Salary	£2,084	This is what Sarah normally receives as a normal base salary.
April Normal Monthly Pay	£2,334	This is Sarah's normal monthly salary plus £250 of overtime worked in March and paid in April.
Reference Pay	£2,380	This is the higher of Sarah's variable earnings in February 2019 or her average earnings over the 2019/20 Tax Year. Marshalls has agreed to use this Reference Pay as the Top Up amount.
April Monthly Pay	£0,000	As Sarah has been placed on furlough for the whole of April she will receive zero Normal Monthly Pay.
CJRS Payment	£1,904	By following HMRC guidelines on the CJRS payment calculations, Marshalls have calculated Sarah's CJRS payment as £1,904.
Marshalls Cost	£476	As Marshalls has agreed to voluntarily 'Top Up' Sarah's pay to the agreed Reference Pay salary from 25 th March to 5 th May, this is the amount Sarah will receive from Marshalls in her April salary.
Revised Monthly Pay	£2,380	This will be subject to the usual deductions for Tax and NICs and the usual employee pension contributions will be made.

*earnings after salary sacrifice savings deducted for pension scheme