



# Coronavirus Job Retention Scheme – receiving grants you were not entitled to

This factsheet contains information about the recovery of overclaimed Coronavirus Job Retention Scheme (CJRS) grants. It also tells you about the penalties we can charge.

An overclaimed CJRS grant includes any amount of a grant which:

- you were not entitled to receive
- you were no longer entitled to keep after your circumstances changed - for example, if you continued to receive a CJRS grant for an employee after they left your employment

When we talk about 'you' in the factsheet, this can mean an individual, a partner or a company.

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## If you need help

If you have any health or personal circumstances that may make it difficult for you to deal with this matter, please tell the officer that's contacted you. We'll help you in whatever way we can. For more details, go to [www.gov.uk/dealing-hmrc-additional-needs](http://www.gov.uk/dealing-hmrc-additional-needs)

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## Paying back amounts you've overclaimed

We understand that mistakes can happen, particularly in the present circumstances. We've made it as easy as possible to pay back any amounts of CJRS grants you've claimed that you were not entitled to. If you received too much because you made an error in a claim, you must pay this back to us. It's easy to put right. You can tell us about an overclaimed amount in your next online claim without the need to call us.

If you do not plan to make any further claims, you should let us know about the error. We can help you pay this back. For more information on what to do if you've made an error in your claim, go to [www.gov.uk/guidance/if-youve-claimed-too-much-or-not-enough-from-the-coronavirus-job-retention-scheme](http://www.gov.uk/guidance/if-youve-claimed-too-much-or-not-enough-from-the-coronavirus-job-retention-scheme)

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## Recovering overclaimed amounts

Under the new legislation, we can recover amounts of CJRS grants you've overclaimed. We'll look for incorrect claims and take action to put them right. By paying back any amounts you were not entitled to, you can avoid any tax liability for overclaimed CJRS grants.

Our priorities are supporting our customers and tackling deliberate non-compliance and criminal attacks. We'll not be actively looking for innocent errors in our compliance approach. We'll assess overclaims and charge penalties to support these priorities.

We'll not charge you a penalty if you did not know you had overclaimed a CJRS grant:

- at the time you received it
- when your circumstances changed - meaning when you stopped being entitled to it

and you paid it back within the relevant time period.

If you're a sole trader or a partner, the relevant time period ends on 31 January 2022. If you're a company, the relevant time period ends 12 months from the end of your accounting period.

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## Telling us about a grant you've overclaimed

If you've overclaimed a CJRS grant and have not repaid it, you need to tell us this within the notification period. The notification period ends (depending on your situation):

- 90 days after you receive the CJRS grant you're not entitled to
- 90 days after the date circumstances changed so that you were no longer entitled to keep the CJRS grant

or on 20 October 2020, whichever of the two dates is later.

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## Assessing the Income Tax charge

To recover the full amount of an overclaimed grant, we can make a tax assessment. We'll assess the amount that you were not entitled to and have not repaid. If we make an assessment, we'll write to you about it.

The assessment includes:

- any amounts you've not used to pay furloughed employees' wages
- related costs within a reasonable period

You must pay any amount we assess within 30 days of the assessment. We'll charge interest on any late payments. We may also charge late payment penalties if you've still not paid the amount 31 days after the due date.

If we've not made an assessment, you must include details of the overclaimed CJRS grant on either:

- the appropriate Corporation Tax return
- your self-assessment tax return for 2020 to 2021

We give more guidance in the tax return notes and help sheets.

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## Penalty for not telling us about the Income Tax charge

We may charge you a penalty if you do not tell us within the notification period that you're chargeable to Income Tax on an overclaimed CJRS grant.

When deciding the amount of any penalty, we'll take account of whether you knew you were entitled to the CJRS grant when:

- you received it
- it became repayable or chargeable to tax because your circumstances changed

If you knew you were not entitled to your grant and did not tell us in the notification period, the law treats your failure as deliberate and concealed. This means we can charge a penalty of up to 100% on the amount of the CJRS grant that you were not entitled to receive or keep.

We'll also take account of the other factors we normally consider when working out a failure to notify penalty. For more information about these, read factsheet CC/FS11, 'Penalties for failure to notify'. Go to [www.gov.uk](http://www.gov.uk) and search for 'CC/FS11'.

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## If you're a partnership

If a partnership receives an overclaimed CJRS grant which it does not repay, we may assess:

- the relevant partner
- any of the partners

to collect the amount due as Income Tax. The partners will be jointly and severally liable for the amount assessed.

If the partnership does not repay the amount and we've not issued an assessment, one of the partners must include the Income Tax charge on their self-assessment tax return for 2020 to 2021. The other partners will not need to self-assess the amount.

We may assess the relevant partner for the penalty we charge, but all partners are jointly and severally liable for any penalty assessed.

For more information about:

- inaccuracy penalties – read CC/FS7a, 'Penalties for inaccuracies in returns and documents'
- failure to notify penalties – read CC/FS11 'Penalties for failure to notify'

Go to [www.gov.uk](http://www.gov.uk) and search for 'CC/FS7a' or 'CC/FS11'.

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## **If a company becomes insolvent**

If a company is insolvent and we cannot recover the tax it owes, company officers can become personally liable to pay the tax charged on their companies' overclaimed CJRS grants. This can happen if the company officer knew that the:

- company had overclaimed a CJRS grant at the time it was received
- claim was not used for the intended purpose at the point a tax liability arose

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## **Publishing details of deliberate defaulters**

If we charge you a deliberate penalty because of an incorrect CJRS grant claim, we may also consider publishing your details as a deliberate defaulter. For more information, read factsheet CC/FS13, 'Publishing details of deliberate defaulters'. Go to [www.gov.uk](http://www.gov.uk) and search for 'CC/FS13'.