

JOB SUPPORT SCHEME

Updated 22 October 2020

A new Job Support Scheme was announced on 24 September 2020 to replace the current Job Retention Scheme which is due to end on 31st October 2020. This new Job Support Scheme will start on 1st November 2020 and will run for 6 months through to the end of April 2021.

Per the Chancellor's statement on 22 October 2020, several revisions were made to the scheme, to factor in the increased restrictions many parts of the UK are now operating in.

Below is an updated summary of the proposed new scheme and how it will work:

JOB SUPPORT SCHEME (OPEN)

For businesses and employers who can operate safely but continue to face reduced demand and lost turnover in the current climate.

The government will subsidise the wages of employees who are working fewer than what would be their normal 'working' hours. For every hour not worked, the employee will be paid up to two-thirds of their usual salary.

Employer eligibility

- All small and medium sized businesses are eligible for the scheme.
- Businesses must be operating an active PAYE registration.
- Have a UK bank account.
- Employers with greater than 250 employees on 23 September 2020 will need to undertake a Financial Impact Test, demonstrating the adverse effect of Coronavirus on turnover.

Employee eligibility

- The employee must have been on the PAYE payroll between 6 April 2019 and 23 September 2020, and an RTI Full Payment Submission notifying payment in respect of that employee must have been made to HMRC.
- Employees can be on any type of contract, including zero hours or temporary contracts.
- Employees **do not need** to have been furloughed under the previous Job Retention Scheme.
- For any employee to be considered for the scheme, they must not be on a redundancy notice.

How it will work

- Employees will now only need to work a minimum of 20% (*previously 33%*) of their normal hours. The employee will be paid in full for these hours by the employer as normal.
- For hours not worked by the employee, the employee will receive 67% pay for these hours. This will be structured whereby, the government will provide up to 61.67% of this pay, up to a maximum of £1,541.75 per month. The employer will contribute the remaining 5% of their wages, up to a maximum of £125 per month.
- Employee’s effective salary based on working 20% hours, will be 73% of their normal salary – 24% paid by employer and 49% paid by the government Job Support Scheme.
- See further examples below:

Working Time	20%	33%	50%	67%	80%
Non-working time	80%	67%	50	33	20%
% of usual pay employee receives	73%	78%	83%	89%	93%
JSS Grant from Government	49%	41%	31%	21%	12%
Employer Contribution	24%	37%	52%	68%	81%

- Employers will be reimbursed in arrears for the government contribution, so they will therefore have to pay their employees first, before claiming it back. The earliest claim date will be 8th December, with payments made after this date, once claims has been approved.
- The Job Support Scheme grant will not cover National Insurance contributions (NICs) or pension contributions. These contributions remain payable by the employer.
- Likewise, employers and employees must also still pay any pension contributions due.

How to claim

- Employers will be able make their first claim from 8 December 2020 on GOV.UK. This will cover wages for pay periods ending and paid in November.
- Subsequent months will follow a similar pattern, with the final claims for April being made from early May. More detail about this process is still to follow.
- Agents who are authorised to do PAYE online for employers will be able to claim on their behalf.

JOB SUPPORT SCHEME (CLOSED)

For businesses and employers whose premises have been required to close by law under the new restrictions set by the UK/Scottish Governments, the Job Support Scheme has been expanded to provide further assistance. The key points are:

- Eligibility rules are the same as above.
- Businesses and subsequently employees, must be instructed to and cease work for a minimum of 7 consecutive (or calendar) days.
- The scheme will cover all eligible employees who have been instructed to and cease work at the relevant premises.
- For these employees, the government will pay the full 67% of an employee's normal pay, up to a limit of £2,100 per month, with the employer only needing to cover Employer NI and auto enrolment pension contributions.
- Businesses required to close as a result of specific workplace outbreaks by local public health authorities are not eligible for this scheme.