

COVID-19 – Job Support Scheme (JSS)

(Most recent guidance first)

Further Announcements (Open and Closed JSS)

Following on from our [article](#) on the 1st October 2020, Rishi Sunak has announced further changes to the Job Support Scheme (JSS). The announcements include development of the Job Support Scheme (Open) and Job Support Scheme (Closed).

Job Support Scheme (Open)

This scheme is relevant to the employees of business which remain open but are facing reduced demand and so, do not need their normal levels of staffing. The key developments include:

- **Minimum hours worked** – An employee will need to work at least 20% of their usual hours to qualify (rather than 1/3 as previously announced). However, as before, the employer will still pay their employees for the hours worked.
Hours not worked – The Government will pay 61.67% of the wages for hours not worked up to a maximum contribution of £1,541.75 p/m. The employer must contribute 5% of reference pay for the hours not worked up to a maximum of £125 p/m (Unless they choose to contribute more).
- **What does this mean?** – The new announcements mean that as an employer, you will be contributing significantly less than previously announced for hours not worked.

As an employee, you will receive at least 73% of your normal wage, where you earn £3,125.00 or less per month.

Which employers can take part?

- Small and medium sized businesses are eligible, although no precise definition has been provided. Typically, the standard definition of ‘small and medium’ must have at least two of the following:
 - Turnover less than £25 million
 - Under 250 employees
 - Gross assets of less than £12.5 million

As we previously announced [here](#), Large Businesses may be able to take part in the scheme, but must pass the ‘financial assessments’ test. i.e.

- Be able to prove they are adversely affected by the pandemic
- Cannot pay dividends whilst using the JSS.

Further detail of the ‘financial assessment’ test can be found [here](#)

Employers can still qualify for the scheme if they have previously furloughed employees and can still qualify for the ‘job retention scheme bonus’ for those employees on shorter hours. Further information on the Job Retention Scheme bonus can be found [here](#).



Job Support Scheme (Closed)

Following on from Aspires updates which can be found [here](#), the government have provided further clarity of how the JSS will extend to workplaces which have been forced to close as a result of the COVID 19 restrictions imposed by the four Governments of the UK.

Where a workplace has been legally instructed to close their premises because of local Government restrictions, their employees may qualify for the JSS.

What does this mean? – The government have announced that the employee will still receive 2/3 of their normal wage whilst not working.

The 2/3 will be paid by the Employer and fully refunded by the Government up to a maximum contribution of £2,083.33 per month whilst the restrictions are in place. The employee may also be entitled to further support in the form of universal credit if applicable.

Which employers qualify?

In the addition to the general Job Support Scheme eligibility criteria above, employers are eligible to claim JSS closed if:

- their business premises at one or more locations has been legally required to close as a direct result of coronavirus restrictions set by one or more of the four governments of the UK
- This includes premises restricted to delivery or collection only services from their premises and those restricted to provision of food and/or drink outdoors

Businesses premises required to close by local public health authorities because of specific workplace outbreaks are not eligible for this scheme

A further detailed list of eligible employers is expected to be announced by the Government at the end of October.

Other Key Points

Employers cannot claim JSS where their employees

- are serving a notice period or
- have been made redundant

[Links to Guidance](#)

[JSS Policy Paper](#)

Updated 23rd October 2020



COVID-19: Job Support Scheme (JSS) Extended

(most recent guidance first)

Rishi Sunak has announced an extension to the Job Support Scheme on 9 October 2020 following the Government's '[Winter Economy Plan](#)' implemented on 22 September 2020.

1. The Job Support Scheme will be expanded to support businesses across the UK legally required to close their premises due to coronavirus restrictions rather than making them redundant.
2. The Government will now support eligible businesses by paying two thirds of each employees' salary (or 67%), up to a maximum of £2,100 a month.
3. Employers will not be required to contribute towards wages but will be required to cover NICs and pension contributions.
4. Employees cannot be made redundant or put on notice of redundancy during the period within whilst the Employer is claiming the grant.
5. The Scheme will take effect from 1 November 2020 and will be available for six months, with a review point in January 2021. Employers will be able to submit claims from December 2020.
6. *HMRC will check claims and payments may be withheld or need to be paid back if a claim is found to be fraudulent.*
7. Government has also confirmed that cash grants for businesses required to close in local lockdowns will also increase to up to £3,000 per month and are eligible for payment sooner, after only two weeks of closure rather than three.
8. These measures will sit alongside the original JSS - which is designed to support businesses that are facing low demand over the winter months - and the £1,000 Job Retention Bonus (JRB) which encourages employers to keep staff on payroll. See our recent [JSS/JRB](#) news items.

See the JSS Extension Factsheet [here](#).

Updated 13 October 2020

The information changes so rapidly and we will try our best to keep you updated but for full and accurate updates, we would recommend checking the Government website.



Job Support Scheme

Initial Guidance

On 24th September 2020, HMRC published their policy paper on the Job Support Scheme (JSS). They have published a factsheet which provides initial clarity to employers with further Guidance or Legislation yet to be published. The key developments are:

- The JSS will run for 6 months from 1st November 2020 until April 2021
- Employees must have been on their employers PAYE on or before 23rd September 2020 and a subsequent RTI submission notifying payment to that employee must have also been made on or before 23rd September 2020
- The employee must be working at least 1/3 of their normal working hours and be paid for that work. The government will cover 1/3 of the pay lost for hours not worked, the employer covers 1/3 and the employee 1/3 (through wage reduction).
- Large businesses will have to meet a 'financial assessment test' to be eligible for the grants, no such test is required for Small and Medium enterprises (SMEs). As such, there is an expectation that large businesses will not make capital contributions whilst claiming the grant, such as dividend payments and shares buybacks.
- Employees will be able to cycle on and off the scheme and do not have to be working the same pattern each month, but each short-term working arrangement must cover a minimum period of 7 days.
- Government contributions will be capped at £697.92 per month
- Grant payments will be made in arrears and will not cover Class 1 Employer NIC or pension contributions, although contributions still remain payable by the employer.
- 'Usual wages' calculations will follow the same route as CJRS. i.e. the business should use the underlying pay (Usual wages) and/or hours for calculations, for example the pay/hours prior to CJRS.
- Employers must pay employees for their contracted hours worked, and the government and employer contributions for hours not worked. The expectation is that the employer cannot top up their employee's wages above the two thirds contribution of hours not worked at their own expense.
- Employees cannot be made redundant or put on notice of redundancy during the period which their employer is claiming the grant for that employee.
- Claims can be made by employers from December 2020 and will be paid on a monthly basis.

Links to Guidance/Factsheets

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921389/Job_Support_Scheme_Factsheet.pdf

Updated on 1st October 2020

The information changes so rapidly and we will try our best to keep you updated but for full and accurate updates, we would recommend checking the Government website.