

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

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