

Job Support Scheme.

The Government has announced that it will increase the scale of support available to employers through the Job Support Scheme above what was initially announced, in order to protect more jobs.

- The minimum hours required for employees to work has dropped from 33% to 20% and the employer contribution for non-worked hours has dropped from 1/3 to 5%.
- The scheme will run for six months from 1 November 2020 and this increased support for employers will be reviewed in the new year.
- As part of the overall support offered by the Job Support Scheme, the Job Support Scheme is designed to protect jobs in businesses who can operate safely but are facing lower demand over the winter months due to Covid-19. The scheme enables these businesses to retain employees on shorter hours, preserving valuable employment matches and protecting incomes.
- The Government will pay 61.67% of hours not worked up to a cap of £1,541.75 per month, with the employer contributing 5% of non-worked hours up to a cap of £125 per month. These caps are based on a monthly reference salary of £3,125. This will ensure employees earn a minimum of at least 73% of their normal wages, where their usual wages do not exceed the reference salary.
The employee will have to work a minimum of 20% of their normal hours.
- Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus if they meet the eligibility criteria.

Who is eligible?

- All employers with a UK bank account and UK PAYE schemes can claim the grant. Neither the employer nor the employee needs to have previously used the Coronavirus Job Retention Scheme (CJRS).

- Employees must be on an employer's PAYE payroll between 6 April 2019 to

23:59 23 September 2020. This means a Real Time Information (RTI) submission notifying payment to that employee to HMRC must have been made on or before 23 September 2020.

- the employee must work at least 20% of their usual hours and they can undertake training in their working hours whilst being claimed for.
- Staff on any type of contract are eligible, including those on variable or zero hours and agency workers.
- 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 time working arrangement must cover a minimum period of seven consecutive days.

What does the grant cover?

- The grant must be used to pay the employee. For every hour not worked by the employee, they will be paid a total of two-thirds of the usual hourly wage for that employee, up to a cap.
- Employers will pay 5% of non-worked hours, capped at £125 per month, and NICs and automatic enrolment pension contributions in full as a contribution.

Employers can top up employee's wages above the 5% contribution at their own discretion.

- The Government will contribute 61.67% of non-worked hours, capped at £1,541.75 per month.
- When combined with the minimum hours requirement, this means that employees on the scheme will receive at least 73% of their wages, where their usual wages do not exceed the reference salary.
- Grant payments will be made in arrears, reimbursing the employer for the Government's contribution. The grant will not cover Class 1 employer NICs or pension contributions, although these contributions will remain payable by the employer.
- "Usual wages" calculations will follow a similar methodology as for the Coronavirus Job Retention Scheme. Full details will be set out in guidance shortly. Employees who have previously been furloughed, will have their underlying usual pay and/or hours used to calculate usual wages, not the amount they were paid whilst on furlough.



- Employers must pay employees their contracted wages for hours worked, and the Government and employer contributions for hours not worked.

How can I claim?

- The scheme will run for six months from 1 November 2020.
- Employers will be able to make a claim online through Gov.uk from 8 December 2020. They will be paid on a monthly basis.
- Grants will be payable in arrears meaning that a claim can only be submitted in respect of a given pay period, after payment to the employee has been made and that payment has been reported to HMRC via an RTI return.

Help for the Self-Employed

The government has announced an extension to the Self-Employment Income Support Scheme.

The extension will last for six months, from November 2020 to April 2021. Grants will be paid in two lump sum instalments each covering a three-month period.

The first grant will cover a three-month period from 1 November 2020 until 31 January 2021. The Government will provide a taxable grant covering 40% of average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £3,750 in total.

The Government are providing broadly the same level of support for the self-employed as is being provided for employees through the Job Support scheme.

The second grant will cover a three-month period from 1 February 2021 until 30 April 2021. The Government will review the level of the second grant and set this in due course.

The grants are taxable income and also subject to National Insurance contributions.

HMRC will provide full details about claiming and applications in guidance on GOV.UK in due course.