



CORONAVIRUS COVID-19 – JOB SUPPORT SCHEME (JSS)

BACKGROUND

The Job Support Scheme (JSS) is the replacement for the Coronavirus Job Retention Scheme (CJRS), and is designed to assist businesses who are facing lower demand over the winter months (due to Covid-19), to keep their employees in continuous employment during this period.

The aim is that the JSS scheme will enable an Employer to continue to pay its employee(s) for time actually worked, **BUT** the burden of **hours not worked** will be split between the Employer and the Government.

In practice, it is expected that the costs of retaining such employees (employees who are working fewer hours than ‘**normal**’) in continuous employment will be shared:

- by the Government (through wage support)
- by the Employer **AND**
- the employee (through a wage reduction)

For the ‘**normal**’ hours **NOT WORKED** by each employee, the Government and the Employer will each pay one third of their usual wages (**capped at a maximum of £697.92 per month**), meaning Employers are responsible for

- their share of the pay for unworked hours and
- all Employer’s NI/pension contributions

The Job Support Scheme (JSS) will be open to Employers across the UK, even if they have not previously applied under the Coronavirus Job Retention Scheme (CJRS). It will also operate in addition to the Job Retention Bonus (JRB) scheme i.e. Employers can benefit from both schemes to assist with the retention of their staff in continuous employment

The JSS scheme will open on 1st November 2020 and will run for 6 months until April 2021 with grant payments made to Employers under the scheme being paid on a monthly basis **in arrears, and will NOT** cover employer NI/pension contributions.

JSS claims are expected to be made online from December 2020 (TBC).

KEY ISSUES AND ELIGIBILITY

For the Employer to be eligible under the Job Support Scheme (JSS):

- the employee(s) **MUST** have been registered on PAYE payroll on or before 23 September 2020, meaning that a Real Time Information (RTI) submission must have been made to HMRC on or before 23 September 2020
- the employee(s) **MUST** work at least 33% of their ‘usual’ hours. After 3 months, the Government will consider whether to increase this minimum hours threshold
- the Employer **MUST**
 - agree the new short-time working arrangements with their employee(s)
 - ensure changes are made to Employment contract(s) by agreement **AND**
 - notify the employee(s) in writing
- the employee(s) cannot be made redundant or put on notice of redundancy during the period within which their Employer is claiming under the JSS scheme
- the Employer **MUST** have kept their payroll up-to-date and maintained accurate records
- the Employer **MUST** have a UK bank account



PLEASE NOTE - “Usual wages” and ‘normal hours’ calculations will follow a similar approach as for the Coronavirus Job Retention Scheme (CJRS).

Further guidance from HMRC will be issued in due course to cover these issues in more detail !

OTHER ISSUES

- There will be no financial assessment test for small and medium enterprises (SMEs)
- Employee(s) will be able to ‘**cycle on and off**’ the JSS scheme and **DO NOT** have to be working the same pattern each month **BUT** each claim under the JSS must be for a minimum period of **seven (7) days**
- Grants for Employers are payable in arrears, which means that a claim can only be submitted in respect of a pay period under the JSS scheme, **ONLY AFTER** payment to the employee has been made **AND** a Real Time Information (RTI) submission has been made to HMRC
- HMRC will check claims made by the Employer, with payments withheld or to be paid back where a claim is found to be fraudulent or based on incorrect information
- Payments under the JSS scheme should be treated as income of the Employer when calculating taxable profits, however as it takes the form of an additional contribution towards employment costs, there is unlikely to be any additional tax liability for the Employer
- Employers should consider their needs in advance as much as possible now e.g. reviewing existing workforce and likely cashflow requirements over the next 3 to 6 months to:
 - assess how many jobs the JSS scheme may assist to support
 - consider the value and/or impact of the Job Retention Bonus (JRB) scheme
 - determine if short time working arrangements would be sustainable for the business

EXAMPLE

Beth normally works 5 days a week and earns £350 a week.

Her company is suffering reduced sales due to coronavirus (COVID-19).

Rather than making Beth redundant, the company puts Beth on the Job Support Scheme (JSS), working 2 days a week (40% of her usual hours).

- Her employer pays Beth £140 for the days she works.
- And for the time she is not working (3 days or 60%, worth £210), she will also earn 2/3, or £140
- bringing her total earnings to £280, 80% of her normal wage.