



## **CORONAVIRUS COVID-19 – EXPANSION TO JOB SUPPORT SCHEME (JSS) FOR CLOSED BUSINESS PREMISES - (NOW JSS CLOSED)**

### **UPDATE TO ORIGINAL SCHEME ANNOUNCEMENT-**

1. The government will support eligible businesses by paying two thirds of each employees' salary (or 67%), up to a maximum of £2,083.33 a month
2. Employers are not eligible to claim under both the **JSS Open** and **JSS Closed** schemes for different employees
3. Employers are not eligible to claim under both the **JSS Open** and **JSS Closed** schemes for the same employee
4. Where an employee has ceased employment post 23<sup>rd</sup> September 2020, but are now subsequently re employed by the Employer, they will be eligible under the JSS scheme
5. Once any closure restrictions have been lifted, the Employer can make further claims under other elements of the JSS/JSS Open scheme

### **BACKGROUND**

This expansion of the Job Support Scheme (JSS) is expected to help businesses through the period they may be affected by these restrictions, providing higher levels of financial support those businesses in respect of their employment costs during periods of closure.

Essentially the expansion is aimed to encourage Employers impacted by periods of closure to continue to **retain their employees**, and **avoid mass redundancies** while **enabling businesses to open up as quickly as possible** following the enforced closure(s).

The scheme will pay a grant to the Employer:

- calculated on the number of eligible employees who have been instructed to and cease work at the relevant premises
- Employers will only be able to use the scheme for employees who cannot work
- Employers must be instructed to and cease work for a minimum of 7 consecutive (or calendar) days.

The government will support eligible businesses by paying two thirds of each employees' salary (or 67%), up to a maximum of £2,100 a month, with the Employer not required to pay any additional salary amounts to the employee(s) i.e. employees will in most cases receive a **MAXIMUM** of 67% of their 'normal' salary for the period of closure.

Employers will be required to contribute to the costs of employer's NI and pension contributions and **CAN 'top up'** employee salary themselves, if necessary.

There will also be cash grants available for businesses required to close, to a maximum of £3,000 per month (**under the Local Restrictions Support Grant scheme**).

The expanded JSS scheme will be available to Employers for six months, from 1st November 2020, with the first claims expected to be made in December 2020.

HMRC will issue further detailed guidance in the coming weeks.



## KEY ISSUES AND ELIGIBILITY

For the Employer to be eligible under the expanded 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 Employer **MUST**
  - agree the new 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 expanded 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

- Employers that are required to close as a result of specific workplace outbreaks, by local public health authorities are **NOT** eligible for expanded JSS scheme
- Businesses (Employers) that are ‘**required to close**’ will also include businesses that are restricted to delivery or collection only services from their premises
- Businesses (Employers) will only be eligible to claim under the scheme while they are subject to restrictions and employees must be off work for a minimum of seven consecutive days
- Although the expanded JSS scheme will commence from 1st November 2020, Employers where restrictions have been applied ahead of this date, **are eligible for the CJRS scheme**
- Where restrictions leading to a claim under the expanded JSS scheme have been lifted, and the business re opened, then Employers are eligible to claim **under the JSS scheme**
- The Employer must use the expanded JSS scheme to cover their employees’ wages and pay relevant payroll taxes i.e. the whole of the grant must be used to meet employee costs
- Employers are required to contribute towards the relevant employer NI/pension contributions for all employees under the scheme
- Payments under the scheme will be made in arrears, providing a reimbursement to the Employer of the Government’s contribution
- Similar to the rules under the JSS scheme, there is no requirement for the Employer nor the employee to have previously claimed under the Coronavirus Job Retention Scheme



- Additionally, Employers will be able to claim under the Job Retention Bonus (JRB) scheme for employees, provided they are eligible, **AND** also previously claimed under the terms of the CJRS scheme
- HMRC will check claims under the expanded JSS scheme, and any payments may be withheld or require to be paid back if a claim is found to be fraudulent or based on incorrect information
- HMRC also intend to publish the name of Employers who have used the scheme, and employees will be able to find out if their employer has claimed for them under the scheme.

## **ADDENDUM**

The expanded JSS scheme applies only to businesses that are **legally required** to close their premises as a direct result of local or national restrictions.

It will **NOT** benefit any of the following businesses, which may also be significantly impacted:

- Businesses that are legally able to stay open, **BUT** whose trade is significantly affected by a local lockdown, such as suppliers to the hospitality sector.
- Businesses that are able to stay open but experience very reduced demand (such as theatres or cinemas in areas not subject to a local lockdown).
- Businesses that decide to shut because of the reduced demand or broader impact of COVID-19 on (such as some cinemas).
- Businesses required to close by local public health authorities as a result of specific workplace outbreaks.