

## UK Job Support Scheme

The government has introduced a new Job Support scheme from 1<sup>st</sup> November 2020, in order to support UK employers and employees

### Summary of scheme

- 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.
- For example, for an employee who earns £1,400 a month but only works 20% of normal hours, the employer will pay £280 a month, and the government will pay 66.67% for the hours that he is not working. The employee will therefore receive £1,027 in total – 73% of his original package.
- Employers will be able to make a claim online through Gov.uk from 8 December 2020. They will be paid on a monthly basis. The scheme will run for six months from 1 November 2020 and is open to all employers with a UK bank account and a UK PAYE scheme.
- The employee must not be on a redundancy notice.
- All Small and Medium-Sized Enterprises (SMEs) will be eligible.
- Large businesses will be required to demonstrate that their business has been adversely affected by COVID-19.
- 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.
- 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.
- 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.

## Job Support Scheme Expansion for Closed Business Premises

The Job Support Scheme is being expanded to provide temporary support to businesses whose premises have been legally required to close as a direct result of Coronavirus restrictions set by one or more of the four governments of the UK.

### Summary of scheme

- Similar to the Job Support Scheme, where employees receive two-thirds of their wages for time not worked, the grant per eligible employee available from the UK Government is two-thirds of their normal pay up to a limit of £2100 per month.
- This is a temporary scheme, available to employers from 1 November 2020 for 6 months and will be reviewed in January.
- Employees cannot be made redundant or put on notice of redundancy during the period within which their employer is claiming the grant for that employee.
- The employer must use the scheme to cover their employees' wages and pay relevant payroll taxes. The whole of the grant must be used to meet employee costs.
- The grant will not cover Class 1 employer NICs or pension contributions, although these contributions will remain payable by the employer.
- Payments will be made in arrears, reimbursing the employer for the Government's contribution.
- Employers will be able to make a claim on a monthly basis online through gov.uk from December 2020 and this will be reviewed in January 2020.

### Further guidance available at:

<https://www.gov.uk/government/publications/the-job-support-scheme/the-job-support-scheme>