

Covid-19

The Job Support Scheme - the basics



The new Part Time Job Support Scheme replaces the Coronavirus Job Retention Scheme (CJRS). The scheme will open on 1 November 2020 until April 2021.

Who is eligible?

I. Employers

- 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.

II. Employees

- Employees must be on an employer's PAYE payroll on or before 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.
- In order to support viable jobs, for the first three months of the scheme the employee must work at least 20% of their usual hours. After 3 months, the Government will consider whether to increase this minimum hour's threshold.
- 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 days.
- 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.

What does the grant cover?

- For every hour not worked by the employee, the Government will pay 61.67% and the employer will pay 5% of hours not worked for that employee if the employee works a minimum 20% of their normal hours. The Government contribution will be capped at £1,541.75 a month.
- 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. Our expectation is that employers cannot top up their employees’ wages above the two-thirds contribution to hours not worked at their own expense.

How can I claim?

- Employers will be able to make a claim online through Gov.uk from December 2020. They will be paid on a monthly basis.
- Grants will be payable in arrears.

Job Support Scheme

Three Tier business forced to close will be supported with the government paying 67%. More details to follow

Job Retention Bonus

Employers will be able to claim a £1,000 one off taxable payment for each eligible employee furloughed and continuously employed until 31 January 2021. This bonus can be claimed between 15 February 2021 and 31 Mar 2021.

Please get in touch if you would like any additional guidance on these issues or a chat about other ways to protect your business.

Best wishes

The FirmValue Payroll Team