

Job Support Scheme Factsheet

This document has been compiled based on a summary of the information provided by the Government on 24th September 2020. The intention is to provide a quick overview of the key information.

What is it?

- The Job Support Scheme (JSS) is designed to protect viable jobs for employers who are facing lower demand over the winter months due to Covid-19, to help keep their employees attached to the workforce.
- The employer will continue to pay its employee for time worked, but the burden of hours not worked will be split between the employer and the Government (through wage support) and the employee (through a wage reduction), and the employee will keep their job.
- Targeted support on those employers that need it most: focusing on those that are being impacted by Coronavirus and who can support their employees doing some work, but that need more time for demand to recover.
- The Government will pay a third of hours not worked up to a cap, with the employer also contributing a third. This will ensure employees earn a minimum of 77% of their normal wages, where the Government contribution has not been capped.
- Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus if they meet the eligibility criteria.
- The scheme will open on 1 November 2020 and run until April 2021.

Who is eligible?

- **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.
- **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. ***If payroll runs monthly, this cut off period will be 31st August.***
 - In order to support viable jobs, for the first three months of the scheme the employee must **work at least 33%** of their usual hours. After 3 months, the Government will consider whether to increase this minimum hours threshold (MHT).
 - 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**.

What does it mean to be on reduced hours?

- The employee must be working **at least 33%** of their usual hours.
- For the time worked, employees must be paid their normal contracted wage.
- For time not worked, the employee will be paid **up to two-thirds** of their usual wage.
- **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.

How can I claim?

- The scheme will be open from 1 November 2020 to the end of April 2021.
- Employers will be able to make a claim from 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.

What are my legal and administrative responsibilities as an employer?

- HMRC will check claims. Therefore, the employer should be able to produce all necessary evidence and documents if requested to do so by HMRC.
- Employers must agree the new short-time working arrangements with their staff, make any changes to the employment contract by agreement, and notify the employee in writing. This agreement must be made available to HMRC on request.

What does the grant cover?

- For every hour not worked by the employee, both the Government and employer will pay a third each of the usual hourly wage for that employee. The Government contribution will be capped at £697.92 a month.
- The grant will not cover Class 1 employer NICs or pension contributions, although these contributions will remain payable by the employer.
- Employers must pay employees their contracted wages for hours worked, and the Government and employer contributions for hours not worked.
- Employers cannot top up their employees' wages above the two-thirds contribution to hours not worked at their own expense.

Hours Employee Worked	33%	40%	50%	60%	70%
Hours Employee Not Working	67%	60%	50%	40%	30%
Employee Earnings (% of normal)	78%	80%	83%	87%	90%
Grant (% of normal wage)	22%	20%	17%	13%	10%
Employer Cost (% of normal wage)	55%	60%	67%	73%	80%

How can PC Payroll Help?

PC Payroll is here to help you and will be offering an administration service to help manage and make the claim for you, as well as legal support with the necessary short-term amendments to your employment contract. Should you be interested in these services to manage your employees through the Job Support Scheme, please do contact us and let us know.

For further information: <https://www.gov.uk/government/publications/job-support-scheme>

