



Employer Guidance: Job support scheme

On 24 September 2020, Chancellor Rishi Sunak announced a replacement to the Job Retention Scheme - the Job Support Scheme. Below are some key facts surrounding what is currently known about this scheme. This guidance will be continually updated as further information becomes available.

➤ What is the Job Support Scheme?

The Job Support Scheme (JSS) forms part of the Winter Economy Plan that is designed to protect jobs and support businesses over the coming months.

The JSS will replace the Job Retention Scheme (JRS). The Job Retention Scheme has been in place since March 2020 to provide wage assistance to employers who were unable to provide work to their employees because of the impact of COVID-19, and to avoid redundancies. Employers could claim up to 80% of an employee's wages if the employee was unable to work at all, or if they were able to work only a portion of their normal working hours.

The JRS will end on 31 October 2020 and the JSS will begin on 1 November 2020. It is expected to continue for six months. Although the JSS will still provide some wage cover to help employers, there are significant differences to the JRS. The main difference is that the JSS will not provide wage assistance for an employee who is doing no work at all.

➤ Which employers can use the JSS?

Employers of any size will be able to use the JSS but larger businesses will have to show that their turnover has fallen. There is currently no further information on what constitutes a 'larger business' so this will need further clarification from HM Treasury. The Scheme is open to employers who have not previously used the Job Retention Scheme to furlough employees before, as well as those who have.

The Chancellor has confirmed that employers using the JSS can still claim the Job Retention Bonus, which will provide employers with £1,000 for each furloughed employee they continue to employ until the end of January 2021 who also meets other criteria.

➤ Which employees can be placed on the JSS?

The Scheme is intended to protect 'viable' jobs in businesses who are facing lower demand over the winter months due to COVID-19. The JSS will only support those who are working fewer hours than normal; not those who are working no hours. A key criterion to gain access to the JSS is a minimum level of working hours: employees must work for at least one third (33%) of their normal working hours.

In another departure from the JRS, employees cannot be given notice of redundancy while on the JSS.

➤ **What do employers pay an employee on the scheme?**

Employers need to pay employees for the hours they work, which must be at least one third of their normal working hours.

The Government and the employer will then each pay one third of pay of the hours not worked.

Employees who work the minimum required (33% of their normal working hours) will receive 77% of their pay, with 55% paid by the employer and 22% paid by the Government. The overall percentage of pay the employee receives will differ depending on the percentage of time they work. The examples given below do not use decimal points for ease of illustration.

Example:

An employee normally earns £2000 per week. Under the JSS, they work 50% of normal working hours. The percentage of hours lost is 50%.

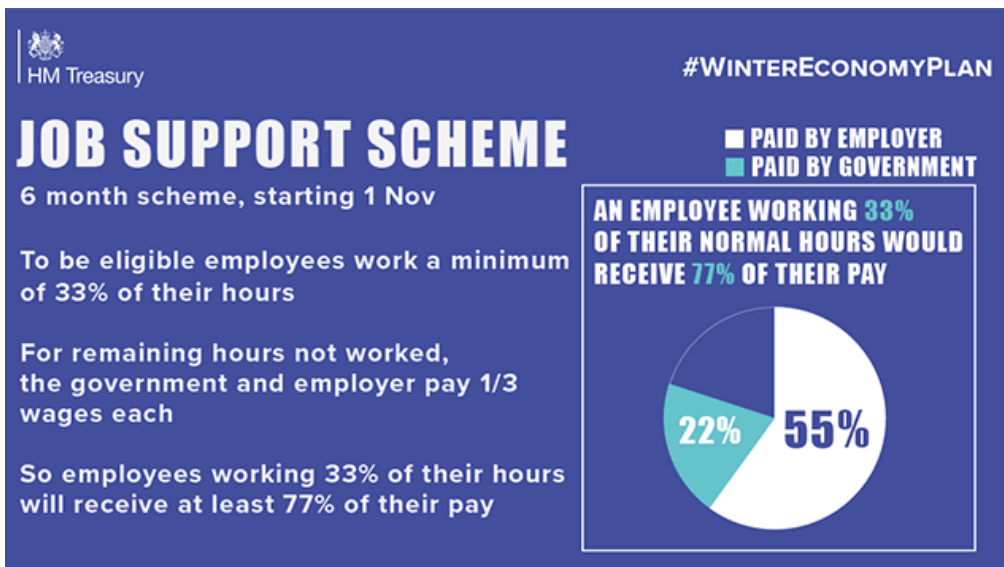
The employer pays £1000 for hours worked, and a further £333 (one third of hours lost).

The Government will pay £333 (one third of hours lost).

The employee receives £1666 in total (83% of total pay).

➤ **What else do I need to know?**

This guidance note has been created based on all of the initial information available. The Chancellor confirmed that more details will be released in due course.



Disclaimer: While everything has been done to ensure the accuracy of the contents of this at the time of publication, it is a general guide only. It is not comprehensive and does not constitute specific HR advice. Specific HR advice should be sought in relation to the particular facts of a given situation and please refer to Government website for the most up to date information.