

Job Support Scheme (JSS)

The Chancellor, Rishi Sunak, has announced a new job support scheme designed to help employers retain their employees. The scheme will open on 1 November and run for six months. The Job Support Scheme (JSS) will apply from 1 November and will run for six months. Could it help your business?

The company will continue to pay its employee(s) for time worked, but the cost of hours not worked will be split between the employer, the Government and the employee (the Government will pay a third of the hours not worked up to a capped limit of £697.92 a month)

Minimum work. To get a rebate on an employee's pay under the JSS, they must work a minimum of 33% of their usual hours and must not be on notice of redundancy. This minimum threshold requirement will apply for the first three months of the scheme after which the government will consider whether to increase it. Employers will be able to cycle employees on and off the scheme and they 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.

Contribution for unworked hours. For every hour not worked, the employer and the government will each pay one third of the employee's usual pay, and the government contribution will be capped at £697.92 per month. This means that employees will receive at least 77% of their pay where the government contribution has not been capped. The grant will not cover Class 1 employers' NI or pension contributions, although these contributions will remain payable by the employer.

How will it work. Employees put on the scheme for must be on the employer's PAYE payroll on or before 23 September 2020. This means an RTI submission notifying payment to that employee to HMRC must have been made on or before 23 September. Employers will be able to make a claim online through GOV.UK from December 2020 and will be paid on a monthly basis.

Business eligibility. All small and medium-sized enterprises will be eligible to access the scheme, but large businesses will be required to demonstrate that their business has been adversely affected by COVID-19, and the government has stated that it expects that large employers will not be making capital distributions (such as dividends) while using the scheme.

For more information click please see the following link:

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