

Job Support Scheme FAQs: Employers

WHEN DOES THE SCHEME OPEN AND HOW LONG WILL IT LAST?

- The Scheme opens from 1 November 2020 until the end of April 2021 with a review point in January. This follows the end of the Job Retention Scheme on 31 October 2020.

ARE WE ELIGIBLE?

- The Scheme is available to all employers with a UK bank account and UK PAYE schemes and to those whose turnover is lower now than before experiencing difficulties from Covid-19. There is no financial assessment test for SMEs but large businesses will have to meet a financial assessment test (details of which have not yet been announced).
- The Scheme is also available to businesses which are required to close as a result of coronavirus restrictions. Please see our guidance below if this applies to you.

DO WE NEED TO PROVE THAT OUR TRADING CONDITIONS HAVE BEEN IMPACTED?

- We do not have the full guidance yet but, it appears that SMEs will need to prove that their trading conditions have been impacted by way of a financial assessment test. This does however apply to large businesses.

CAN ALL EMPLOYEES BE PLACED ON THE SCHEME?

- To be eligible for the Scheme, employees must be on an employer's PAYE payroll on or before 23 September 2020. This means that a Real Time Information (RTI) submission must have been made to HMRC on or before this date.

DOES THE EMPLOYEE NEED TO HAVE BEEN FURLOUGHED PREVIOUSLY TO BE PUT ON THE SCHEME?

- No, the employee does not need to have been on furlough before nor is there a requirement for the employer to have claimed under the Job Retention Scheme.

DO YOU HAVE TO PROVIDE WORK FOR EMPLOYEES TO APPLY FOR THE SCHEME?

- Yes. The rationale behind the scheme is that employers must provide the employee with a third of an employee's usual hours. If you are unable to provide this, unfortunately you cannot use the Scheme.

HOW MANY HOURS MUST AN EMPLOYEE WORK UNDER THE SCHEME?

- For the first 3 months of the Scheme, the employee must work at least 33% of their usual hours. The Government will consider whether to increase this minimum hours threshold.

CAN YOU ROTATE EMPLOYEES ON AND OFF THE SCHEME?

- Yes. Employees will be able to cycle on and off the Scheme and do not have to be working the same pattern each month however, each short-time working arrangement must cover a minimum period of 7 days.

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DO WE NEED EMPLOYEES CONSENT TO BE PART OF THE SCHEME?

- Yes. Employers must agree the new 'short-time working arrangements' with their employees and make any changes to the employment contract by agreement. The employee must be notified in writing of this change.
- The fact sheet states that the agreement between employee and employer must be made available to HMRC on request therefore it is important that this is in place.

HOW DOES THE SCHEME WORK? WHO PAYS WHAT?

- For every hour not worked by the employee, both the Government and the employer will pay a third each of the usual hourly wage for that employee.
- For the time worked by the employee, the employer must pay their normal contracted wage.

IS THE GRANT (I.E. THE GOVERNMENT'S CONTRIBUTION) CAPPED?

- Yes. The Government's contribution is capped at £697.92 a month per employee.

HOW ARE USUAL WAGES CALCULATED?

- Guidance on this has not yet been provided however, we understand that usual wages calculations will follow the same methodology as for the Coronavirus Job Retention Scheme.

IF AN EMPLOYEE IS CURRENTLY ON FURLOUGH OR HASE PREVIOUSLY BEEN FURLOUGHED, CAN WE USE THEIR FURLOUGH PAY TO CALCULATE THEIR USUAL WAGES?

- No. Employees' usual pay and/or hours (pre furlough) should be used to calculate usual wages and not the amount they were paid whilst on furlough.

DO WE NEED TO PAY EMPLOYEES NATIONAL INSURANCE CONTRIBUTIONS AND PENSION CONTRIBUTIONS?

- Yes. The fact sheet specifically states that the Scheme will not cover Class 1 employer National Insurance Contributions or pension contributions. The employer will remain responsible for paying NI and pension contributions.

CAN WE TOP UP EMPLOYEES' PAY UNDER THE SCHEME?

- The guidance on this point is currently unclear. We suspect not as the fact sheet states at point 3 that "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 DO WE CLAIM UNDER THE SCHEME?

- You will be able to make a claim via Gov.uk from December 2020. We expect that this will be in a similar way to the Coronavirus Job Retention Scheme.

HOW ARE THE GRANTS PAID?

- The grants will be paid on a monthly basis and will be payable in arrears. A claim can therefore only be submitted in respect of a given pay period after payment to the employee had been made and that payment has been reported to HMRC via an RTI return.

ARE THERE ANY EXMAPLES OF HOW THE SCHEME WORKS?

- Yes. The fact sheet gives the example of the employee 'Beth' who normally works 5 days a week and earns £350 per week. Her employer is suffering reduced sales due to Covid-19 and rather than making Beth redundant, the company puts her on the Scheme. Under the Scheme, she is working 2 days a week (40% of her usual hours).
- Beth's pay is as follows under the Scheme:
 - Her employer pays her £140 for the days she works (2 days).
 - For the time she is not working (3 days or 60%), her employer will pay her £140.
 - The government will give a grant worth £70 (1/3 of hours not worked, equivalent to 20% of her normal wages) to Beth's employer.

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- This brings her total earnings to £280, being 80% of her normal wage.

CAN WE STILL MAKE REDUNDANCIES WHILST USING THE SCHEME?

- Employees under the Scheme cannot be made redundant or put on notice of redundancy during the period within which you are claiming for the grant for that employee.

CAN WE STILL CLAIM THE JOB RETENTION BONUS AND USE THE SCHEME?

- Yes. You can still claim for the £1,000 one-off taxable bonus per employee that you furloughed and kept continuously employed until 31 January 2021. You will be able to claim the bonus between 15 February 2021 and 31 March 2021. This money does not need to be paid to the employee.

HAS THE GOVERNMENT RELEASED FURTHER GUIDANCE ON THE SCHEME?

- Please see the following link to the Government's fact sheet on the Scheme: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921389/Job_Support_Scheme_Factsheet.pdf
- We expect to receive full guidance on the Scheme shortly.

JOB SUPPORT SCHEME EXPANSION FOR CLOSED BUSINESS PREMISES

- The below FAQs are in relation to business closures as a result of coronavirus restrictions.

WHAT IF WE ARE REQUIRED TO CLOSE AS PART OF LOCAL OR NATIONAL RESTRICTIONS?

- The Scheme will cover businesses that, as a result of restrictions set by the Governments in the UK, are legally required to close their premises. This includes premises restricted to delivery or collection only services from their premises.
- The Scheme will pay a grant to the employer calculated on the number of eligible employees who have been instructed to and cease work at the relevant premises. This applies to employees who cannot work (paid or unpaid) for that employer.
- The government will support each eligible business by paying two thirds of each employee's salary (or 67%) up to a maximum of £2,100 a month.

DO WE HAVE TO CONTRIBUTE TO EMPLOYEES' WAGES?

- These payments will be taxable and employers will be required to cover employer NICS and automatic enrolment pension contributions in full (where applicable). Employers will not be required to contribute towards wages.

CAN WE TOP UP EMPLOYEES PAY?

- Yes. The guidance states that you can top up employees pay if you wish to do so.

WHAT ARE THE REQUIREMENTS TO CLAIM THE GRANT IF WE ARE REQUIRED TO CLOSE?

- You will only be eligible to claim the grant whilst you are subject to restrictions and employees must be off work for a minimum of 7 consecutive days.

IF WE ARE REQUIRED TO CLOSE, CAN WE ALSO CLAIM A CASH GRANT FROM THE GOVERNMENT?

- The guidance suggests that businesses which are required to close will be able to obtain a cash grant. The Government is increasing the cash grants to businesses in England shut in local lockdowns to support with fixed costs. These grants will be linked to rateable values with up to £3,000 per month payable every two weeks.

IS THERE A SEPARATE FACT SHEET FOR BUSINESSES WHICH ARE REQUIRED TO CLOSE?

- Yes. Please see the following link to the fact sheet: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925672/20201009_JSSC_Factsheet_FINAL_EG_1516_002_.pdf

WHEN WILL FURTHER GUIDANCE BE RELEASED?

- We expect further guidance to be released in the next few weeks.

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