



Member Communication
COVID-19 Job Support Scheme
5th October 2020

Last week the Government announced the Job Support Scheme (JSS), which will come into effect from the 1st of November 2020 and continue for six months until 30 April 2021. This scheme had been devised to try to avoid a wave of redundancies and job losses when the Coronavirus Job Retention Scheme (or furlough scheme) ends on 31 October 2020.

We are waiting for the final details however the information we have so far is:

- All small and medium enterprises (SME) will be eligible to access the scheme. Larger organisations will be required to demonstrate they have been adversely impacted by COVID-19 (e.g. loss of turnover).
- For an employee to qualify for the JSS, they must be on an employer's PAYE payroll on or before 23 September.
- Neither the employer nor employee needs to have previously used the furlough scheme in order to apply for the JSS.
- Employees will need to work at least 33% of their usual hours in order to access the JSS. This minimum may be increased from February 2021.
- Payments to employees will be at least 77% of their normal wages, subject to the cap on government contributions and will be paid monthly in arrears as follows:
 - **For hours worked:** employers will be responsible for paying the employee their normal contracted wage for any hours they actually work (a minimum of 33%).
 - **For hours not worked:** the employee will be paid two-thirds of their usual hourly wage, made up as follows:
 - By the government paying one-third of hours, up to a cap of £697.92 per month meaning maximum government contribution will be 22%, this will reduce on a sliding scale the more hours an employee actually works.

And

- Employers paying one-third, 22%, of hours not worked.

- Employers will be responsible for paying employer National Insurance Contributions and pension contributions.
- Each short-time working arrangement must cover a minimum pay period of 7 days. Employees will be able to work different patterns in different pay periods, and can “cycle on and off” the JSS.
- Employers must agree the new short-time working arrangements with employees and confirm them in writing.
- 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 using the JSS will also be able to claim the Job Retention Bonus if they qualify for it.
- It is expected that employers will not be permitted to top up their employees’ wages above the two-thirds to cover any hours not worked at their own expense.

That sums up the scheme at the present moment but we have some points of caution if you are thinking of proceeding down this route:

In contrast to the furlough scheme, **employees cannot be made redundant or put on notice of redundancy during the period for which the employer is claiming the JSS** grant for that employee. It is not yet clear whether this will refer to the whole six months of the JSS or a particular pay period, or what will happen to previous payments if someone is made redundant – something which will hopefully be covered by further guidance.

The **JSS is less generous for employers than the furlough scheme, with employers needing to contribute at least 55% of normal wages**, compared to 10% (in September), and 20% in October. Given that employers will only be getting 33% of work in return for this payment, this may not feel an attractive option. It is being suggested that it may possibly be more cost effective for employers to make redundancies rather than bring high numbers of employees back from furlough, or to bring a few employees back full time, rather than many part-time under the JSS. So if finances are tight you will need to do some serious number crunching to work out what is likely to be best for your organisation.

For further up to date information regarding the Job Support Scheme please visit <https://www.gov.uk/government/publications/job-support-scheme>