

# THE UK'S JOB SUPPORT SCHEME

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The UK's furlough scheme will come to an end on 31 October 2020. The new Job Support Scheme announced by the Chancellor of the Exchequer will start immediately afterwards on 1 November 2020 and continue until the end of April 2021.

## JOB SUPPORT SCHEME OPEN

The evolving Covid-19 pandemic and related health restrictions, as well as the pressures employers are facing this winter, has prompted the Government to make changes to the previously announced 'Job Support Scheme'. The Chancellor of the Exchequer has now announced that it will increase the scale of support available to employers through the 'Job Support Scheme Open' above what was initially announced, to protect more jobs in businesses who can operate safely but are facing lower demand over the winter months due to Covid-19. The scheme enables these businesses to retain employees on shorter hours, with the intention of avoiding redundancies and protecting incomes.

**"The minimum hours required for employees to work has dropped from 33% to 20% of the employee's normal hours and the employer contribution for non-worked hours has dropped from one third to 5%."**

### Under the new rules:

- The minimum hours required for employees to work has dropped from 33% to 20% of the employee's normal hours and the employer contribution for non-worked hours has dropped from one third to 5%;
- The Government will pay 61.67% of hours not worked up to a cap of £1,541.75 per month. Employers will contribute 5% of non-worked hours up to a cap of £125 per month and NICs and automatic enrolment pension contributions in full;
- These caps are based on a monthly reference salary of £3,125. This will ensure employees earn a minimum of at least 73% of their normal wages, where their usual wages do not exceed the reference salary; and
- Employers will be able to top up employee's wages above the 5% contribution at

their own discretion.

### As before:

- Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus of £1000 per employee still in employment as of 31 January 2021 and earning at least £520 per month between 1 November 2020 and 31 January 2021;

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- Large businesses will have to meet a financial assessment test, so the scheme is only available to those whose turnover has stayed level or is now lower than before experiencing difficulties from Covid-19. There will be no financial assessment test for SMEs;
- 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 consecutive days;
- “Usual wages” calculations will follow a similar methodology as for the Coronavirus Job Retention Scheme;
- Employers must pay employees their contracted wages for hours worked and the Government and employer contributions for hours not worked;
- Grant payments will be made in arrears, reimbursing the employer for the Government’s contribution. The grant will not cover Class 1 employer NICs or pension contributions, although these contributions will remain payable by the employer. Employers will be able to make a claim online through Gov.uk from 8 December 2020;
- Employees cannot be made redundant or put on notice of redundancy during the period within which their employer is claiming the grant; and
- Employers must agree the new short-time working arrangements with their staff, make any changes to the employment contract by agreement (assuming they do not have a short term/lay off clause in their contract already), and notify the employee in writing. This agreement must be made available to HMRC on request.

## JOB SUPPORT SCHEME CLOSED

Since our last update, the Government has also announced the ‘Job Support Scheme Closed’ (JSS Closed) for businesses that have been legally required to close their premises as a direct result of coronavirus restrictions. The JSS Closed will help businesses through the period that they are directly affected by these restrictions by supporting the wage costs of employees who have been instructed to cease work in eligible (closed) premises.

Each employee who cannot work due to these restrictions will receive two thirds of their normal pay, paid by their employer and fully funded by the government, to a maximum of £2,083.33 per month, although their employer has discretion to pay more than this if they wish.

This article was authored by London Employment Co-Heads Anna Robinson and Devan Khagram and Trainee Alice Halpin.

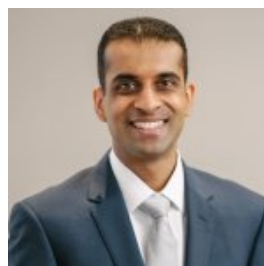
## KEY CONTACTS



**ANNA ROBINSON**  
PARTNER • LONDON

T: +44 20 7814 8086

[arobinson@wfw.com](mailto:arobinson@wfw.com)



**DEVAN KHAGRAM**  
PARTNER • LONDON

T: +44 20 7814 8205

[dkhagram@wfw.com](mailto:dkhagram@wfw.com)

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