

The Government Covid19 Job Support Scheme

Here are some of the key points relating to the newly released Job Support Scheme. Full details and examples can be found on the link at the bottom of this document.

- The Job Support Scheme is designed to protect viable jobs in businesses who are facing lower demand over the winter months due to Covid-19, to help keep their employees attached to the workforce. The scheme will open on 1 November 2020 and run for 6 months.
- The company will continue to pay its employee for time worked, but the cost of hours not worked will be split between the employer, the Government (through wage support) and the employee (through a wage reduction), and the employee will keep their job.
- The Government will pay a third of hours not worked up to a cap, with the employer also contributing a third. This will ensure employees earn a minimum of 77% of their normal wages, where the Government contribution has not been capped.
- For every hour not worked by the employee, both the Government and employer will pay a third each of the usual hourly wage for that employee. The Government contribution will be capped at £697.92 a month.
- 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.
- Employees must be on an employer's PAYE payroll on or before 23 September 2020. This means a Real Time Information (RTI) submission notifying payment to that employee to HMRC must have been made on or before 23 September 2020.
- Grants will be payable in arrears meaning that a claim can only be submitted in respect of a given pay period, after payment to the employee has been made and that payment has been reported to HMRC via an RTI return.
- HMRC will check claims. Payments may be withheld or need to be paid back if a claim is found to be fraudulent or based on incorrect information. Grants can only be used as reimbursement for wage costs actually incurred.
- Employers must agree the new short-time working arrangements with their staff, make any changes to the employment contract by agreement, and notify the employee in writing. This agreement must be made available to HMRC on request.
- The Government's intention is that employees will be informed by HMRC directly of full details of the claim.
- Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus if they meet the eligibility criteria.

Full details, examples and criteria are below:

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