

Job Support Scheme Latest help for business



Presented by

Andrew Law ^{CTA}

Senior Manager
Tax consulting





To 30.6.2020

CJRS
80% of wages for furloughed employees

1.7.2020

Flexible Furlough Scheme
Bring back furloughed workers part time

1.10.2020

FFS
Grant reduced 60%

1.9.2020

FFS
Grant reduced 70%

1.8.2020

FFS
Grant excludes NI & Pension

1.11.2020

Job Support Scheme
22% Grant for unworked usual hours

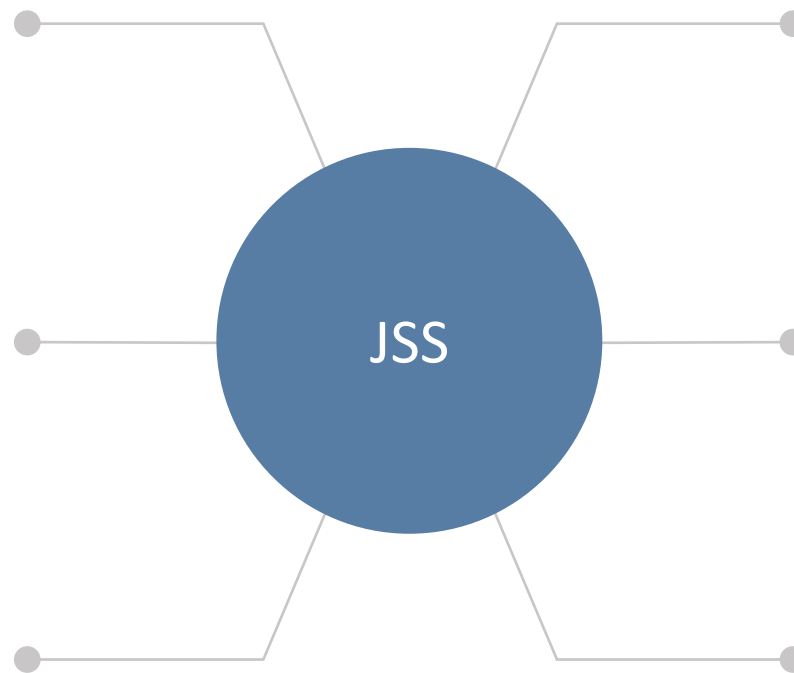
Feb 2021

Job Retention Bonus
£1,000 per previously furloughed employee still employed on 31.1.2021

From 1 November 2020

Runs for 6 months
with 3 month review

Capped at £697.22 per month



Employee works 1/3 of
normal hours

Employer pays 55% of normal pay

Gov. pays 22% of normal pay

STOP PRESS:

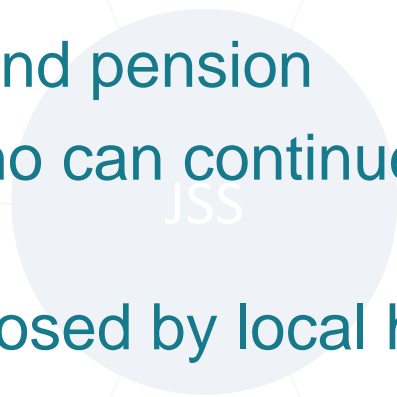
From 1 November 2020

- 2/3rds of wages up to £2,100 per month where businesses forced to close
- Employer still pays NI and pension
- Includes businesses who can continue on a collection or delivery only basis
- Excludes businesses closed by local health authorities

Employer works 1/3 of normal hours

Runs for 5 months with a review

Employer pays 55% of normal pay



Capped at £697.22 per month

Gov. pays 22% of normal pay

Who is eligible to claim?

- **All employers with a UK bank accounts and UK PAYE scheme**
- **All small and medium sized businesses**
- **Large businesses who meet a financial assessment test**

There is no requirement for the employer to have made previous claims

Which employees qualify?

- **Employee must appear on an RTI submission on or before 23 September 2020**
- **Employee must work at least a third of their usual hours**
- **Employees can cycle on and off the scheme**
- **Minimum short term working period is seven days**

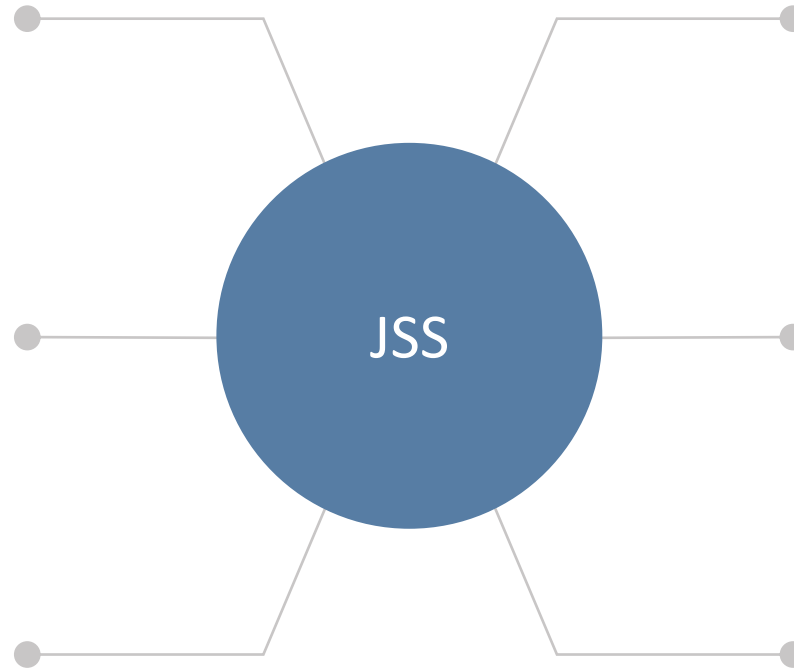
There is no requirement for the employee to have been included in previous claims

Example permitted work patterns

All employees working short time

Only some employees working short hours

Short term working only in slack periods



Different employees working full and short time.
e.g. rotating teams and job sharing

Other variations to suit business
Provided minimum short time period is 7 days

Subject to agreement with workers

Who pays what?

Everything is based
on “usual hours”

Employer

All hours actually
worked – at least 1/3
of usual hours

1/3 of usual hours not
worked

Cannot top to full pay

Government

1/3 of usual hours not
worked

What are “usual hours”?

- **Based on same rules as CJRS**
 - *further guidance on how this applies to JSS still to come*
- **Employees on furlough will be based on underlying usual pay and not actual pay during furlough**
- **Relatively straightforward if on fixed hours**
 - *e.g. 40 hours a week without overtime*
- **More difficult with variable hours contracts**

Example from JSS Factsheet

- **Beth works 5 days a week at £350 a week**
- **She agrees to reduce to 2 days a week under the JSS scheme**
- **The employer pays her worked days - £140**
- **The employer pays 1/3 of the remaining 3 days - £70**
- **The government pays another 1/3 - £70**
- **Beth gets £280**
- **The employer pays £210 and the government pays £70**

The governments share is capped at £697.22 p mth

Usual hours – How might it work?

This is speculation - details have not yet been announced

- **Problems to overcome..**
 - **Furloughed employees – look through to usual pay in CJRS claim**
 - **Non –Furloughed employees – What period to use as basis for the claim?**
 - **Look back to 2019/20?**
 - **What if not employed 2019/20?**

Usual hours – How might it work?

This is speculation - details have not yet been announced

Everything is based on “usual hours”

CJRS

Fixed hours:
Last pay period pre
19.3.2020

Variable hours -
higher of:

- Same period in 2019/20,
- Average of 2019/20

JSS

Fixed hours:
Last pay period pre
23.9.2019

Variable hours -
higher of:

- Same period last year?
- Average last 12 months?

Maximum grant claim

- **The government's share is capped at £697.22 per month**
 - *Details are yet to come as to how this cap applies*

<i>Table extracted from JSS Factsheet</i>					
Hours employee worked	33%	40%	50%	60%	70%
Hours employee not working	67%	60%	50%	40%	30%
Employee earnings (% of normal)	78%	80%	83%	87%	90%
Gov't grant (% of normal wages)	22%	20%	17%	13%	10%
Employer cost (% of normal wages)	55%	60%	67%	73%	80%

Maximum grant for 2/3rds lockdown grant - £2,100 per month

Making a claim

- **The scheme starts 1 November 2020**
- **A claim is made monthly in arrears online**
- **Before a claim is made**
 - **employees must have been paid, and**
 - **Employer must have filed RTI submission**

CASH FLOW IMPLICATIONS

Grants will only be a reimbursement of actual wages paid
It is unclear how quickly grants will be paid

HMRC checks

- **HMRC will be checking claims**
 - **Before payment?**
 - **Cross check to RTI submission?**
 - **Will claims be delayed whilst checked?**
- **HMRC will provide employees with full details of claims**

CASH FLOW IMPLICATIONS

Grants will only be a reimbursement of actual wages paid
It is unclear how quickly grants will be paid

Employment Law

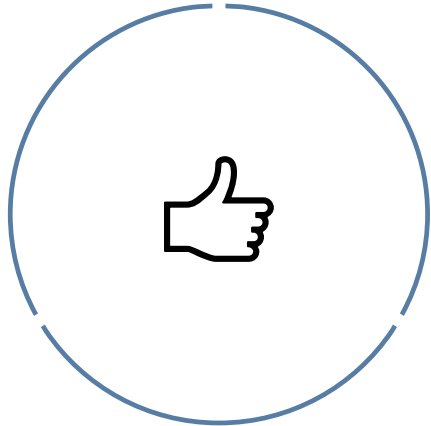
- **Short term working must be agreed with employees in writing**
- **This may require a variation in employment contracts**
- **It is advisable to obtain legal advice to ensure the proper process and documentation is followed**
- **Documentation does not need to be sent to HMRC but they may request sight of it.**

Implication

Will grants be refused or reclaimed if legal paperwork is not prepared or incorrect?

More Information

- **Speaks to your normal contact at Albert Goodman**
- **HMRC website – [HMRC.gov.uk](https://www.hmrc.gov.uk)**
- **Our website – [Albertgoodman.co.uk](https://www.albertgoodman.co.uk)**
- **Your legal advisers**
- **ACAS website – [acas.org.uk](https://www.acas.org.uk)**



Thank You

