



Hoping to avoid redundancies for a while longer?

In light of the unveiling of the new Job Support Scheme, we have compiled some useful information on how to access the scheme and eligibility.

What is the Job Support Scheme (JSS)?

The JRS will end on 31 October 2020 and the JSS will begin on 1 November 2020. Although the JSS will still provide some wage cover to help employers, its aim is to help employers who can support employees doing some work but need more time to recover. This highlights the main difference to the JRS; the JSS will not provide wage assistance for an employee who is doing no work at all.

Which employers can use the JSS?

Employers of any size will be able to use the JSS but large businesses will have to meet a financial assessment test to show that their turnover is lower now than before experiencing difficulties from COVID-19.

The Government expects that large businesses using the JSS will not be making capital distributions, e.g. dividend payments or share buybacks, whilst accessing the JSS grant.

The Scheme is open to employers who have not previously used the Job Retention Scheme to furlough employees before, as well as those who have. An employee being placed into the JSS does not need to have been furloughed before.

The Chancellor has confirmed that employers using the JSS can still claim the Job Retention Bonus, which will provide employers with £1000 for each furloughed employee they continue to employ until the end of January 2021 who also meets other criteria. For more information on the Job Retention Bonus, please click [here](#).

Which employees can be placed on the JSS?

An employee must have been on the employer's PAYE payroll on or before 23 September 2020.

The JSS will only support those who are working fewer hours than normal; not those who are working no hours. A key criterion to gaining access to the JSS is a minimum level of working hours: for the first three months of the JSS, employees must work for at least one third (33%) of their normal working hours. This minimum threshold will be reviewed by the Government at the three-month point.

Reduced hours working arrangements will need to be agreed with employees and notified to them in writing. HMRC may ask for sight of the agreement.

In a departure from the JRS, employees cannot be given notice of redundancy or made redundant during the period which the employer is claiming from the JSS for that employee.

What are the wage arrangements for an employee on the scheme?

An employee's wages, when on the JSS, will be funded partly by the employer and partly by the Government.

Employers need to pay employees for the hours they work, which must be at least one third of their normal working hours. The employer must also pay the employee for one third of the amount of 'lost hours' - i.e. the hours the employee would normally work, but is not working.

The Government will provide pay for one third of the amount of lost hours up to a maximum cap of £697.92 per month. The employer's contribution of one third of pay for hours not worked is not subject to a cap. This means that all employees on the JSS will continue to earn at least 77% of their normal wages, where the Government contribution has not been capped.

Determining what an employee's normal wages/hours are will be done in a similar way to that required under the Job Retention Scheme and the Government will provide further details on this. Normal wages/hours for employees who have been furloughed will be their underlying wages and hours, rather than those which applied during furlough.

The JSS will not cover employer National Insurance contributions or pension contributions; employers will remain liable for these.

*This guidance is not extensive and is for general use only, please seek professional advice for how this may apply in more detail to you and your business.



Once an employee is in the JSS, do they have to stay in it?

No. Government guidance confirms that employees can cycle on and off the scheme. There is also no requirement for the employee, once in the JSS, to work the same number of hours each month (provided any changes do not fall below the minimum working hours requirement). However, each reduced hours working arrangement must last for at least seven days.

How will I receive the JSS funds?

Guidance confirms that JSS grants will be paid in arrears to reimburse the employer for the Government's contribution.

Claims can only be submitted in respect of a wage costs actually incurred in given pay period after payment to the employee has been made and that payment has been reported to HMRC via an RTI submission.

Claims can be made online from December 2020 and reimbursement will be made on a monthly basis.

If you are interested in making use of the scheme, please let us know and we can help support the transition onto this scheme as smoothly as possible, as well as ensuring you are fully compliant.

Contact us, we're here to listen!

Head Office

Amica HR Ltd, Think Tank
Ruston Way, Lincoln, LN6 7FL
+44 (0)1522 37019

London Office

Amica HR Ltd, 85 Great Portland Street,
First Floor, London, W1W 7LT
+44 (0)20 7110 0006