

Job Support Scheme



What is it?

The Job Support Scheme will be introduced for 6 months between 1st November 2020 until the end of April 2021. It replaces the Coronavirus Job Retention Scheme (CJRS) which ends 31st October 2020.

It has been developed to protect jobs in businesses who are facing lower demand over the winter months due to Covid-19. Employers will continue to pay its employee for time worked, but hours not worked will be split 3 ways between the employer, Government (through wage support) and the employee (through a wage reduction). As a result, it is hoped the employee will keep their jobs.

How will it work?

Employee must be working at least 33% of their usual hours. The Government will pay a third of hours not worked up to a cap (£697.92 per month), 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). Employees must be on an employer's PAYE payroll on or before 23 September 2020.

How do I claim?

All employers with a UK bank account and UK PAYE schemes can claim the grant. Employers will be able to make a claim online through gov.uk from December 2020, and they will be paid monthly in arrears. Neither the employer nor the employee needs to have previously used the Coronavirus Job Retention Scheme. Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus (£1,000) if they meet the eligibility criteria.

Example

Beth normally works 5 days a week and earns £350 a week.

Her company is suffering reduced sales due to coronavirus. Rather than making Beth redundant, the company puts Beth on the Job Support Scheme, working 2 days a week (40% of her usual hours).

Her employer pays Beth £140 for the days she works.

And for the time she is not working (3 days or 60%, worth £210), she will also earn 2/3, or £140, bringing her total earnings to £280, 80% of her normal wage.

The Government will give a grant worth £70 (1/3 of hours not worked, equivalent to 20% of her normal wages) to Beth's employer to support them in keeping Beth's job.