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Job Support Scheme

The recently announced Job Support Scheme (JSS) has raised many unanswered questions

Currently all that has been released about the JSS is [a HMRC factsheet](#). There is no draft legislation or guidance, yet, but HMRC has said it will issue some guidance “next month” – ie in October.

Period of the scheme

The JSS is designed to replace the coronavirus job retention scheme (CJRS) for furloughed workers, which comes to an end on 31 October 2020. The JSS will only apply to salaries or wages paid in the period from **1 November 2020 to 30 April 2021**, unless it is extended.

Which employees qualify?

Any employee who was included on an RTI return submitted by the employer on or before 23 September 2020, will be eligible to be included in a JSS claim, if the working hours conditions are also met for that employee.

We don't know whether that RTI return must have been submitted for the 2020/21 tax year or for an earlier year

The JSS is not restricted to employees who were furloughed at some point between March and October 2020. Also, unlike the CJRS, the JSS will be available for employees who have recently joined the payroll, for example since March 2020.

Employees who are already on notice for redundancy, or who have been made redundant can't be included on a JSS claim submitted by the employer who made them redundant.

Which employers qualify?

Any small or medium sized employer with a UK bank account will be able to use the JSS without further conditions applying.

Large employers will have to show that their business turnover has reduced due to Covid-19 before they can use the JSS. This test is clearer than the “adversely affected” condition for the self-employed income support scheme (SEISS), as it concentrates on turnover rather than on profits or costs.

HMRC has said that large employers will be expected to refrain from paying dividends to shareholders, and must not use share buy-back schemes, while claiming under the JSS. It will be interesting to see how this ban on dividends will be defined in the law and guidance.

We don't know how “large employer” will be defined for the JSS, but likely to be by number of employee headcount is for the corporate group as a whole, and whether the employee numbers are “full-time equivalents”, as applied for most share schemes.

Working hours

The employee must work at least 33% of their usual hours, but we don't know how "usual hours" will be defined. Many employees have been working part-time under flexi-furlough since 1 July, so it will be crucial to know at what date "usual hours" will be measured.

This will be a particular problem for employees who have recently joined the workforce.

The 33% of working time ratio will apply for November 2020 to January 2021, and the government may increase this minimum percentage from 1 February onwards.

The employee won't have to work one third of every week, they will be able to chop and change, as long as each period containing some work lasts for at least seven days.

Who pays what?

The employer will have to pay the employee for the actual hours worked according to their normal terms of employment. The factsheet makes it clear that this is the **pre-Covid wage rate**, not 80% of normal pay, which furloughed employees may have agreed to take.

The JSS grant only covers the pay for 33% of the hours not worked. The employer must pay for 33% of the non-working hours, and the employee must forego pay on the balance of the non-working hours. Thus, the cost of the non-working time is born equally by the employer, the government and the employee. However, the government's contribution under the JSS is capped at £697.22 per month.

Under the JSS the employer will pay around 55% of the employee's normal pay in return for 33% of their normal working hours, and the government will contribute 22% of the employee's normal pay. The employer will also pay all of the employer's NI and employer's minimum pension contributions to a workplace pension, both on the entire amount of wages paid.

When is the claim made?

The employer must pay the employee first, and then make a claim for the JSS through an online portal which will open in December 2020. The employer will be paid the JSS grant once each month, but only after the RTI return that reports the employee's wages has been received by HMRC.

The JSS grant can only be used as reimbursement for wage costs actually paid.

Communication

The JSS factsheet says that employees will be informed by HMRC directly of the JSS claim made to support their pay. **This indicates that each claim will have to include an email address or mobile phone number for every employee in that claim.**

If you have any queries please do not hesitate to contact us or visit our website for further information.

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