



AUTHOR / KEY CONTACT

Job Support Scheme



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The Government have confirmed that the current 'furlough' arrangements (under the Job Retention Scheme) will not be extended beyond the end of October, but will instead be replaced by a new Job Support Scheme or 'JSS'. The scheme will run for six months from 1 November 2020 until April 2021.

In an attempt to protect viable jobs and to avoid job losses, the new scheme will enable employers to reduce their employees' working hours down to as low as a third of their normal hours where they cannot accommodate or do not require, an employee to work their full contractual hours.

During at least the first three months of the scheme, the employee must work at least 33% of their usual hours (in contrast to the furlough scheme which did not initially allow any worked hours). The Government may consider increasing this minimum of 33% of hours after the scheme has operated for three months.

For most employees, it will be far more attractive to continue working, albeit at reduced hours, than to face the prospect of redundancy. For employers, this scheme will allow a level of flexibility whilst workloads fluctuate, whilst enabling them to retain experienced staff who may otherwise be lost from the business.

How does the job support scheme work?

For the job support scheme to work, you will need to agree on the new period of reduced working hours with your employee, and notify them in writing that you are using the scheme. Do ensure that you retain all paperwork and records in relation to the scheme as this may be inspected by HMRC at any time.

The employer will continue to pay the salary for the reduced hours to their employee in the normal way, and the JSS will 'top-up' part of the unworked salary. This 'top-up' will be shared so that the government and the employer pay a third of the remaining wages each, so for every hour not worked, both the Government and the employer pay a third each of the usual hourly wage for that employee.

Employees will be able to move into and out of the scheme, but each reduced hours arrangement must continue for a period of seven days or more, and as we said above must be recorded in writing.

The Government contribution will be capped at £697.92 a month, and payments will be made in arrears, by

reimbursing the employer for the Government's contribution.

The government says this means the employee would receive at least 77% of their normal pay and remain in employment. They have provided the following worked examples:

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 (% normal wages)	55%	60%	67%	73%	80%

Who is eligible for the job support scheme?

To be eligible for the job support scheme, employees must have been on the employer's UK PAYE scheme on or before 23 September 2020.

The new scheme is open to all small and medium sized businesses with 250 employees or less with no financial assessment, and larger businesses will be eligible too where they can show that their revenue is lower as a direct result of the Covid-19 situation.

Helpfully, the JSS is available even where companies have not used the furlough scheme previously, and companies still remain eligible for the Job Retention Bonus for employees who have been brought back from furlough.

One important point to be aware of is that, as the purpose of the JSS is to support viable job retention, employers will not be able to issue redundancy notices to employees during the claim period.

If you have any questions about the job support scheme please contact our expert [employment solicitors](#) by emailing online.enquires@la-law.com or call 01202 786183.