

JOB SUPPORT SCHEME

1. Overview of the scheme

To support individuals and businesses to deal with the challenges created by coronavirus (COVID-19) during this winter (2020 to 2021), the government is providing additional support to help employers retain their employees through the Job Support Scheme (JSS). This was first announced by the Chancellor of the Exchequer on 24 September 2020.

Whilst some businesses have managed to return to levels of demand near to what they experienced before the start of coronavirus, or have found creative and innovative ways to adapt to the new economic reality, others continue to face challenges.

The Job Support Scheme provides different types of support to these businesses so they can get the right assistance, at the right time, according to their situation. Businesses that are operating but facing decreased demand can get support for wages through JSS Open. Those businesses that are legally required to close their premises as a direct result of coronavirus restrictions set by one or more of the four governments of the UK can get the support they need through JSS Closed.

This policy paper sets out details on eligibility criteria, conditions and timescales for making claims under the Job Support Scheme. Reflecting the different types of support being provided through the scheme, this paper details specific eligibility criteria for JSS Open and primary criteria for JSS Closed, followed by eligibility criteria and conditions for the whole scheme.

Further guidance will be available at the end of October 2020.

1.1 Employers facing decreased demand (JSS Open)

Many employers can operate safely but continue to face reduced demand so they may need extra support over the winter to help keep their employees attached to their workforce. For these employers, the Job Support Scheme, through JSS Open, will give employers the option of keeping their employees in a job on shorter hours rather than making them redundant.

Recognising the evolving situation with the pandemic and health restrictions, and the pressures employers are facing this winter, the government has announced that it will increase the scale of support available to employers through JSS Open above what was initially announced, in order to protect more jobs.

The employee will need to work a minimum of 20% of their usual hours and the employer will continue to pay them as normal for the hours worked. Alongside this, the employee will receive 66.67% of their normal pay for the hours not worked – this will be made up of contributions from the employer



and from the government. The employer will pay 5% of reference salary for the hours not worked, up to a maximum of £125 per month, with the discretion to pay more than this if they wish. The government will pay the remainder of 61.67%, of reference salary for the hours not worked, up to a maximum of £1,541.75 per month. This will ensure employees continue to receive at least 73% of their normal wages, where they earn £3,125 a month or less.

1.2 Employers who are legally required to close their premises (JSS Closed)

Employers have been legally required to close their premises as a direct result of coronavirus restrictions set by one or more of the four governments of the UK. For these businesses, the Job Support Scheme, through JSS Closed, will help them through the period that they are directly affected by these restrictions by supporting the wage costs of employees who have been instructed to cease work in eligible (closed) premises.

Each employee who cannot work due to these restrictions will receive two thirds of their normal pay, paid by their employer and fully funded by the government, to a maximum of £2,083.33 per month, although their employer has discretion to pay more than this if they wish. This will help protect employee incomes, limit unemployment and retain employer-employee matches so that these premises are able to reopen as quickly as possible when circumstances allow.

Employees may also be entitled to additional financial support, including Universal Credit.

1.3 Next steps for the Job Support Scheme

The Job Support Scheme will be open from 1 November 2020 and run for 6 months, until 30 April 2021. The government will review the terms of the scheme in January. Employers will be able to claim in arrears from 8 December 2020, with payments made after the claim has been approved. Neither the employer nor the employee needs to have benefitted from the Coronavirus Job Retention Scheme to be eligible for the Job Support Scheme.

Further guidance on the steps that employers need to take to calculate and make a claim to the Job Support Scheme will be published by the end of October.

2. Eligibility Criteria

2.1 Eligibility criteria for all aspects of the Job Support Scheme

The following eligibility criteria apply to all employers and/or employees being claimed for under the Job Support Scheme, whether the employer is claiming the JSS Open grant or the JSS Closed grant.

An employer can claim the JSS Open and JSS Closed grant at the same time for different employees. An employer cannot claim for a single employee under both schemes at the same time.



2.2 Who can claim

Employers will be able to access the Job Support Scheme if:

- they have enrolled for PAYE online
- they have a UK, Channel Island or Isle of Man bank account

Additional eligibility criteria will apply depending on whether the employer is claiming a JSS Open grant or JSS Closed grant.

Bodies in receipt of public funds

Organisations that have staff costs that are fully publicly funded (even if they are not in the public sector), should use that money to continue paying their staff, and not use the Job Support Scheme.

Organisations can use the scheme if they are not fully funded by public grants, for the proportion of their revenue disrupted due to coronavirus. They should contact their sponsor department or respective administration for further guidance.

Those that do claim should do so using the same process as all other employers.

Employees who can be claimed for (JSS Open and JSS Closed)

Eligible employers will be able to claim the Job Support Scheme grant for employees who were on their PAYE payroll between 6 April 2019 and 11:59pm on 23 September 2020. This means an RTI Full Payment Submission notifying payment in respect of that employee must have been made to HMRC at some point from 6 April 2019 up to 11:59pm 23 September 2020.

Employers can only claim for employees that were in their employment on 23 September 2020. If employees ceased employment after 23 of September 2020 and were subsequently rehired, then employers can claim for them.

An individual is an employee for the purposes of this scheme if they are treated as an employee for Income Tax purposes.

Employees can be on any type of contract, including zero hours or temporary contracts.

Agency workers are regarded as employees of an employment agency for the purposes of this scheme, provided they are employees for Income Tax purposes.

Employees do not need to have been furloughed under the Coronavirus Job Retention Scheme to be eligible for the Job Support Scheme.

Employers will be able to top up employee wages above the level of minimum contributions at their own expense if they wish.



Employers cannot claim both JSS Open and JSS Closed in respect of a single employee for the same day.

Training in hours unworked hours

Employees will be able to undertake training voluntarily in non-working hours. Where time spent on training attracts a minimum wage entitlement in excess of the grant payment, employers will need to pay the additional wages.

Working Tax Credits

Employees whose hours reduce due to the COVID-19 pandemic will continue to have access to Working Tax Credit and its childcare element for the duration of the JSS scheme.

Parental leave

The government is putting will introduce parental pay legislation as soon as possible (covering maternity allowance, statutory maternity/, paternity, shared parental, adoption and parental bereavement pay) to avoid parents losing out on their entitlement to parental pay as a result of being put on the Job Support Scheme during the relevant assessment period.

More details on employee eligibility will be available in further guidance published by the end of October.

2.3 Who can claim JSS Open

Employers facing decreased demand who can claim JSS Open

In addition to the general Job Support Scheme eligibility criteria set out in section 2, employers are eligible to claim the JSS Open if:

- an employer with 250 or more employees on 23 September 2020 has undertaken a Financial Impact Test (see section 3.2 for more information) demonstrating their turnover has remained equal or fallen to show they have been adversely affected due to coronavirus; an employer with less than 250 employees on 23 September 2020 is not required to satisfy the test
- some, or all, of their employees are working reduced hours - employees must still be working for at least 20% of their usual hours

Financial Impact test for large employers claiming JSS Open

Large employers claiming JSS Open, defined here as a legal entity with 250 or more employees across their payrolls on 23 September 2020, need to complete a Financial Impact Test to evidence that their income has been impacted due to coronavirus. If the employer's turnover has remained equal or has decreased



compared to the previous year, then they will qualify. This test only needs to be taken once before the employers first claim for the Job Support Scheme.

Large employers who are VAT registered and submit quarterly VAT returns, should compare the total sales figure on their VAT return, which is due to be filed and paid between 31 August 2020 and 7 November 2020, with the total sales figure from the same quarter in 2019. This is the figure recorded in box 6 of their VAT return, which captures the total value of sales and all other outputs excluding any VAT. This box captures all sales, whether subject to VAT or not.

Large employers who submit monthly VAT returns should compare the three consecutive months which are due to be filed and paid by 7 November 2020 with the same period in 2019.

Large employers who file less frequently should compare the three consecutive months which are due to be filed and paid by 7 November 2020 with the same period in 2019 but will need to have submitted a VAT return between 31 August 2020 and 7 November 2020 to be eligible.

Large employers who are part of a VAT group will use the turnover figures for the VAT group for this calculation.

Any charity with 250 or more employees that is registered with a UK charity regulator or are exempt from such registration will not be required to carry out the test and are eligible for this scheme.

Further guidance for large employers who are not VAT registered will be available by the end of October.

Examples of doing a financial impact test

Employers who submit quarterly VAT returns:

1. Take the box 6 turnover figure from the return with a filing due date between 31 August 2020 and 7 November 2020.
2. Take the box 6 turnover figure from the equivalent return in the 2019 year to that used in step 1.
3. If the step 1 figure is equal to or lower than the step 2 figure, then employers are eligible to claim the Job Support Scheme, provided they meet the other employer eligibility criteria, for eligible employees.

Example:

1. The VAT return for the quarter ended 31 July 2020, with a filing due date of 7 September 2020, has a box 6 figure of £2.34bn.
2. The VAT return for the quarter ended 31 July 2019, with a filing due date of 7 September 2019, has a box 6 figure of £1.72bn.



3. The step 1 figure is higher than the step 2 figure, so the employer is not eligible to claim the Job Support Scheme for eligible employees.

Employers who have changed their quarterly VAT stagger:

1. Take the box 6 turnover figure from the return with a filing due date between 31 August 2020 and 7 November 2020.
2. Take the box 6 turnover figure from the return with a filing due date between 31 August 2019 and 7 November 2019.
3. If the step 1 figure is equal to or lower than the step 2 figure, then employers are eligible to claim the Job Support Scheme, provided they meet the other employer eligibility criteria, for eligible employees.

Example:

1. The VAT return for the quarter ended 30 September 2020, with a filing due date of 7 November 2020, has a box 6 figure of £925m.
2. The VAT return for the quarter ended 31 July 2019, with a filing due date of 7 September 2019, has a box 6 figure of £925m.
3. The step 1 figure is equal to the step 2 figure, so the employer is eligible to claim the Job Support Scheme.

Employers who submit monthly VAT returns:

1. Add the box 6 turnover figures from the three consecutive monthly returns ending with a filing due date of 7 November 2020.
2. Add the box 6 turnover figures from the three consecutive monthly returns ending with a filing due date of 7 November 2019.
3. If the step 1 figure is equal to or lower than the step 2 figure, then employers are eligible to claim the Job Support Scheme, provided they meet the other employer eligibility criteria, for eligible employees.

Example:

1. The VAT returns for the months ending 31 July, 31 August, and 30 September 2020, which has a filing due date of 7 November 2020, have box 6 turnover figures of £100m, £120m and £110m. The total is £330m.
2. The VAT returns for the months ending 31 July, 31 August, and 30 September 2019, which has a filing due date of 7 November 2019, have box 6 turnover figures of £80m, £90m, and £160m. The total is £330m.
3. The step 1 figure is equal to the step 2 figure, so the employer is eligible to claim the Job Support Scheme for eligible employees.

Financial Impact Test for employers who have changed from quarterly to monthly VAT returns:

1. Add the box 6 turnover figures from the three consecutive monthly returns ending with a filing due date of 7 November 2020.



2. Take the box 6 turnover figure from the quarterly return with a filing due date between 31 August 2019 and 7 November 2019.
3. If the step 1 figure is equal to or lower than the step 2 figure, then employers are eligible to claim the Job Support Scheme, provided they meet the other employer eligibility criteria, for eligible employees.

Example:

1. The VAT returns for the months ending 31 July, 31 August, and 30 September 2020, which has a filing due date of 7 November 2020, have box 6 turnover figures of £180m, £90m, and £260m. The total is £530m.
2. The VAT return for the quarter ended 31 August 2019, with a filing due date of 30 September 2019, has a box 6 figure of £640m.
3. The step 1 figure is lower than the step 2 figure, so the employer is eligible to claim the Job Support Scheme.

Employees working reduced hours who can be claimed for (JSS Open)

Eligible employers will be able to claim the JSS Open grant for employees who are working at least 20% of their usual hours.

Employees can do training in working hours while being claimed for under the Job Support Scheme. Hours that employees spend training are paid for by the employer at their full rate of pay and will count towards 20% of their usual hours.

National Minimum Wage

Employees are entitled to the National Living Wage, National Minimum Wage or Apprentices Minimum Wage for the hours they are working or treated as working (such as training undertaken at the request of the employer in non-working hours) under minimum wage rules. For JSS Open, at least minimum wage rates must be paid for all hours worked or treated as worked.

JSS Open temporary working agreements

To be eligible for the grant, employers must have reached written agreement with their employee (or reached written collective agreement with a trade union where the relevant terms are determined by collective agreement) that they have been offered a temporary working agreement. The agreement must be available for view by HMRC on request.

This temporary working agreement must cover at least seven consecutive days.

Employers should discuss with their staff and make any changes to their employment contract by written agreement. When employers are making decisions, including deciding to whom they should offer reduced hours, equality and discrimination laws will apply in the usual way.



Employers must maintain records relating to the terms of the temporary working agreements for each employee, and:

- make sure that the agreement is consistent with employment, equality and discrimination laws
- keep a written record of the agreement for 5 years
- keep records of how many hours employees work and the number of usual hours they are not working
- this agreement must be made available to HMRC on request

HMRC will publish further guidance on what to include in the written agreement by the end of October.

2.4 Who can claim JSS Closed

In addition to the general Job Support Scheme eligibility criteria, employers are eligible to claim JSS Closed if their business premises at one or more locations has been legally required to close as a direct result of coronavirus restrictions set by one or more of the four governments of the UK. This includes premises restricted to delivery or collection only services from their premises and those restricted to provision of food and/ or drink outdoors.

Businesses premises required to close by local public health authorities as a result of specific workplace outbreaks are not eligible for this scheme.

Employers are only eligible to claim for periods during which the relevant coronavirus restrictions are in place. Employers will not be able to claim JSS Closed to cover periods after restrictions have lifted and the business premises is legally allowed to reopen. They may then be able to claim JSS Open if they are eligible.

This is not a complete list of all the conditions for eligibility for JSS Closed and further guidance will be published by the end of October.

Employees who cannot work because of closed premises who can be claimed for under JSS Closed

Eligible employers will be able to claim the JSS Closed grant for employees:

- whose primary work place is at the premises that have been legally required to close as a direct result of coronavirus restrictions set by one or more of the four governments of the UK
- that the employer has instructed to and who cease work for a minimum period of at least 7 consecutive calendar days

This is not a complete list of employee eligibility requirements for JSS Closed and further guidance will be published by the end of October.



JSS Closed temporary working agreements

Employers should discuss with their staff and make any changes to their employment contract by written agreement. When employers are making decisions in relation to the process, including deciding who they should instruct to cease work, equality and discrimination laws will apply in the usual way.

To be eligible for the grant, employers must have reached written agreement with their employee (or reached written collective agreement with a trade union where the relevant terms are determined by collective agreement) that they have been instructed to and agree to stop working for a minimum of 7 consecutive calendar days. The agreement must be available for view by HMRC on request.

Employers must maintain records relating to the terms of these arrangements for each employee. They must:

- notify the employee of the agreement in writing
- make sure that the agreement is consistent with employment, equality and discrimination laws
- keep a written record of the agreement for 5 years
- this agreement must be made available to HMRC on request

The employee must agree to the new arrangement.

3. Conditions of claiming

There are a number of conditions that apply to all employers using the Job Support Scheme. The conditions apply to all employers claiming JSS Open and JSS Closed unless stated.

3.1 Redundancy

Employers cannot claim for an employee who has been made redundant or is serving a contractual or statutory notice period during the claim period.

3.2 Shareholder distributions

The government expects that large employers (250 or more employees) and their corporate groups using the scheme will not make capital distributions whilst claiming the Job Support Scheme grant. This includes:

- dividend
- charge
- free or other distribution
- any equivalent payment that a partnership may make to its partners

The government does not plan to make this expectation a contractual or legal condition of the scheme but encourages business to reflect on their



responsibilities and that taxpayers should be able to rely on public money only being claimed where it is clearly needed.

3.3 Paying employee taxes and pension contributions

The Job Support Scheme grant will not cover National Insurance contributions (NICs) or pension contributions. These contributions remain payable by the employer.

Employers must deduct and pay to HMRC income tax and employee NICs on the full amount that is paid to the employee, including any amounts subsequently met by a scheme grant.

Employers must also pay to HMRC any employer NICs due on the full amount that that is paid to the employee, including any amounts subsequently met by a scheme grant.

Employers must report these payments via a Full Payment Submission (FPS) to HMRC on or before the pay date in the normal way.

Employers and Employees must also still pay pension contributions in accordance with the applicable pension scheme terms, unless the employee has opted out or stopped saving into their pension. If applicable Student Loan deductions and the Apprenticeship Levy must also still be paid.

3.4 Grant monies must only reimburse sums already paid to the employee

Employers must have paid the full amount claimed for an employee's wages to the employee before each claim is made. They should also pay the associated employee tax and employee and employer National Insurance contributions to HMRC, even if the company is in administration.

Employers cannot enter into any commitment or transaction with the employee which would reduce wages below the amount claimed (for example a salary sacrifice scheme). This includes any administration charge, fees or other costs in connection with the employment. Where an employee had authorised their employer to make deductions from their net salary, these deductions can continue while the employee is working reduced hours provided that these deductions are not administration charges, fees or other costs in connection with the employment (for example, pension contributions and charitable giving).

Employees will be able to check if their employer has made a Job Support Scheme claim relating to them via their Personal Tax Account (sign up on GOV.UK).

4. How to claim

4.1 Get ready to claim

Employers will be able make their first claim from 8 December 2020 on GOV.UK. Employers will be able to claim from 8 December, covering salary for pay periods ending and paid in November. Subsequent months will follow a



similar pattern, with the final claims for April being made from early May. More detail about this process will be published in guidance by the end of October 2020.

Agents who are authorised to do PAYE online for employers will be able to claim on their behalf.

4.2 Fraudulent claims

HMRC will check claims and payments may be withheld if HMRC suspects a claim to be ineligible.

The amount of any overpayment by the employer must be paid back to HMRC where a claim contains incorrect information.

The full amount of any grant must be repaid if a claim is found to be fraudulent. Penalties of up to 100% of the amount overclaimed may be applied where appropriate. HMRC will consider publishing the details of employers who are charged a penalty because of a deliberately incorrect Job Support Scheme grant claim.

HMRC intend to publish the names of employers who have used the scheme. The public can report fraud to HMRC if they have evidence to suggest an employer is abusing the scheme.

Employees will be able to check if their employer has made a claim relating to them via their Personal Tax Account (sign up on GOV.UK).

4.3 Interactions with other support schemes

Employers claiming the Job Support Scheme may still claim the Job Retention Bonus in respect of the same employee if they are eligible. Grants claimed under the Job Support Scheme can be used by employers to pay an employee's wages and help meet the Lower Earnings Limit of the Job Retention Bonus.

There may be occasions where an employee's pay period includes both eligible amounts to be claimed under the Coronavirus Job Retention Scheme for a period where they were furloughed until 31 October 2020 and an amount in respect of the Job Support Scheme from 1 November 2020. The amounts to be claimed from each of the schemes should be calculated separately following the guidance for each scheme which will take into account the number of days that fall within each of the scheme's timelines. No amount of gross pay should be included in more than one scheme.

For example, if an employee is paid a weekly salary each Friday covering the previous 7 days, when they are paid on 6 November 2020 this will include their pay for the period Saturday 31 October 2020 through to Friday 6 November 2020. It will be necessary to follow the Coronavirus Job Retention Scheme guidance to calculate the claim for 1 day, being 31 October 2020 and then the



remaining 6 days should be calculated following the Job Support Scheme guidance.

The calculated amounts should be claimed separately in accordance with the guidance for each scheme.

5. Reference Salary

Under JSS Open, employers can claim for government support for their employees' wages (including employees on National Minimum Wage) – up to a maximum of £1,541.75 per month, depending on how many hours they work. This section applies to JSS Open and the further guidance at the end of October will set out how to work out reference salary for JSS Closed.

Employers cannot claim for employees' wages for any time they spend working.

Claims should commence from the later of the date that the employee starts working reduced hours or the date when working reduced hours is confirmed in writing, not when the decision is made. Claim periods can start from 1 November 2020 onwards. Claims are subject to a maximum reference salary of £3,125 per calendar month.

The amount an employer should use for calculating an employees' reference salary is made up of the regular payments they are obliged to make, including:

- regular wages
- non-discretionary payments for hours worked, including overtime
- non-discretionary fees
- non-discretionary commission payments
- piece rate payments

Calculations cannot include:

- payments made at the discretion of the employer or a client, where the employer or client was under no contractual obligation to pay, including:
 - any tips, including those distributed through tronc
 - discretionary bonuses
 - discretionary commission payments
 - non-cash payments
 - non-monetary benefits like benefits in kind (such as a company car) and salary sacrifice schemes (including pension contributions) that reduce an employees' taxable pay

Reference salary for employees with fixed pay

For employees who are paid a fixed salary, the Reference Salary is the greater of:

- the wages payable to the employee in the last pay period ending on or before 23 September 2020



- the wages payable to the employee in the last pay period ending on or before 19 March 2020, this may be the same salary calculated under the CJRS scheme

Reference salary for employees with variable pay

For employees whose pay is variable the Reference Salary is the greater of:

- the wages earned in the same calendar period in the tax year 2019 to 2020
- the average wages payable in the tax year 2019 to 2020

5.1 Usual hours

There are different calculations for working out an employee's usual hours – fixed or variable.

Employees who work fixed hours

For employees contracted for a fixed number of hours and whose pay does not vary according to the number of hours they work, usual hours are calculated based upon the greater of:

- the hours that the employee was contracted for at the end of the last full pay period ending on or before 23 September 2020
- the hours that the employee was contracted for at the end of the last full pay period ending on or before 19 March 2020, this may be the same number of hours calculated under the Coronavirus Job Retention scheme

