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ALLENSACCOUNTS

JOB SUPPORT SCHEME (JSS)

Late last week HMRC finally released guidance on the JSS which starts on 1 November 2020.

The JSS initially proposed in September has been transformed into something closely resembling the Coronavirus Job Retention Scheme (CJRS) which closes on 31 October 2020 (please remember final claims need to be made on or before 30 November 2020).

There are now two support schemes:

1. The original one designed for business that are legally required to close – this is now called '**JSS Closed**'; and
2. A new one introduced by the chancellor on 22 October 2020 for businesses that remain open but with employees working reduced hours – this is called '**JSS Open**'.

These schemes will run from **1 November 2020 to 30 April 2021**, with the conditions to be reviewed in January 2021.

Claims cannot be made until 8 December 2020.

HMRC will publish the names of the employers which use either JSS Open or JSS Closed and employees will be able to check if their employer has made a JSS claim relating to them via their personal tax account. This feature is designed to prevent

employers from claiming JSS while also asking employees to work.

<https://www.gov.uk/government/publications/the-job-support-scheme/the-job-support-scheme>

Allens Payroll Clients

If you are an existing Allens payroll client and you currently have employees on furlough under the CJRS, we will be in touch to discuss the transition to the JSS.

If you are an existing Allens payroll client and **don't** currently have any employees on furlough but want to claim under the JSS, please contact our payroll team to discuss this further.

Our understanding is that directors working reduced hours may be eligible for the scheme, including those on low salaries. However we are awaiting further guidance on this and will be in touch when we know more.

Qualification

The more generous **JSS Closed can only be used by businesses which are required to close by the coronavirus regulations, such as under the tier 3 restrictions in England (Greater Manchester for example)**, or similar regulations in Wales, Scotland or Northern Ireland. This includes premises restricted to delivery or collection-only services from their premises, and those restricted to providing food and/or drinks outdoors.

All other small and medium sized businesses can use JSS Open if some or all of their employees are working reduced hours. Large employers (more than 250 employees) wanting to use JSS Open must also show that their trade has been affected by coronavirus.

A business will be able to move between the two schemes as the restrictions for the area it operates in change.

The employer need not have claimed under the CJRS to use either JSS.

Employees Who Can be Claimed For (both JSS Open and JSS Closed)

Eligible employers will be able to claim the JSS grants 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 September 2020 and were subsequently rehired, then employers can claim for them.

JSS Open

Under this scheme:

- The employee **must work at least 20% of their usual working hours** (same definition as CJRS), which would amount to one day of a normal five-day working week. This reduction in hours must be agreed in writing with the employee.
- **The employer must pay for all of the worked hours at the employee's agreed reference salary, plus 5% of the value of the hours not worked, up to £125 per month**, but the employer may top-up this figure if they wish to. The reference salary will be capped at £3,125 per month and defined in a similar way to CJRS.
- **The JSS grant will cover 66.67% of the hours not worked, capped at £1,541.75 per month.**
- The employer must pay all of the employer's national insurance (NIC) on all of the wages the employee receives plus any employer's minimum contribution to a workplace pension.

An employee who works for 20% of their contracted hours will receive:

- 20% of pay for worked time; and
- 4% (5% x 80%) of pay for non-worked time, capped at £125 per month; and
- 49.33% of pay (61.67% x 80%) for non-worked time, capped at £1,541.75 per month.

In total the employee receives 73.33% of their pay and foregoes 26.67% of their normal pay.

The caps are reduced according to the proportion of hours not worked.

JSS Closed

Under this scheme:

- The grant will cover **two thirds of the normal pay of furloughed employees, who cannot work at all, up to a maximum of £2,083.33 per month.**
- The employee must give up one third of their wages, and will have to agree to that change in their employment contract in writing if they are not already on a zero hours contract.
- Employers will not be required to contribute, but they can top up the government's contribution if they choose to.
- Employers will still need to cover all employer National Insurance and pension contributions.

Claims

Employers will be able to claim under either JSS from 8 December 2020, although the first claim period can't start before 1 November 2020. Where the pay period straddles 1 November 2020 separate claims will have to be submitted under CJRS and JSS.

The claims must be made for **minimum seven-day periods**, but employees can move in and out of the JSS Open and do not have to work the same pattern each month.

A claim cannot be submitted for a particular employee until that employee's wages have been paid and reported under RTI. This is to reduce fraud, but means the employer has to fund the entire payment to the employee in advance.

Further detailed guidance on how to make claims under either JSS will be published shortly.

The Allens Team



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