

Winter Economy Plan - Job Support Scheme

On Thursday 24 September 2020, the government announced a new job support scheme starting from 1 November 2020 as part of the Winter Economy Plan, to follow on from the Job Retention Scheme which ends on 31 October 2020. The new scheme is intended to be in place for six months.

This guidance will be updated as we receive further details.

<p>What is the scheme?</p>	<p>The new scheme will allow employers to reduce staff hours and to claim contributions from the government.</p>
<p>Who does it apply to and who is eligible?</p>	<p>All small and medium businesses will be eligible to use the scheme, but large businesses will only be able to claim if they can show that their turnover has reduced as a result of the pandemic.</p> <p>Employees who have been employed on or before the 23rd of September 2020 are eligible for the scheme.</p> <p>There is no requirement for the business to have used furlough in the past or for the employee to have been furloughed previously.</p>
<p>How does it work?</p>	<p>Under the new scheme, the employees work at least one third of their normal hours.</p>  <p>For every hour not worked by the employee, both the Government and employer will pay a third each of the usual hourly wage for that employee. The Government contribution will be capped at £697.92 a month.</p>
<p>What do I have to pay as an employer?</p>	<p>As an employer you will be required to pay national insurance and pension contributions. You will also have to pay 100% of the hours which the employee works.</p>

	<p>You will have to contribute towards the hours which the employee does not work. Your total contribution will vary depending on the percentage of time your employee works. The total minimum contribution from an employer (including hours worked) will be 55% but it could be as much as 80%.</p> <p>As with furlough, it is likely that the employee will be on a reduced salary on the job support scheme.</p>
<p>Can I change the staff I put on the scheme?</p>	<p>Yes, you can rotate staff on and off the job support scheme, but they must be on the scheme for a minimum of 7 days at a time.</p>
<p>Can I automatically put employees on the scheme?</p>	<p>No, as this will result in a reduction of wages, you will need to check your employment contracts to see whether or not you have the right to reduce their pay. If you do not have the right to reduce pay you should negotiate and consult with your employees, and have a written agreement for them to be on the scheme. We recommend you take our advice on this so as not to end up with a claim against you.</p> <p>You should also have clear and transparent reasons as to who is put on the scheme and who isn't. You are still required to adhere to discrimination rules and best practice.</p>
<p>How does the scheme work in conjunction with making redundancies?</p>	<p>You will still be able to make redundancies, but you cannot use the scheme during any period of notice. Employees should receive their full redundancy and notice pay at 100% of their normal salary.</p>

Example:



If you have any questions or need advice please contact the ForrestHR team on 01892 726060 hello@forrestr.com