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Update to the Winter Economy Plan

Extension to Coronavirus Job Retention Scheme

It has been announced that the Coronavirus Job Retention Scheme (CJRS) (due to have ended on 31 October) has been extended to cover the four week lockdown which is expected to be in place until 2 December.

During this extension employers will remain able to place employees on part time as well as full time furlough.

For the hours the employees are not working the Government will pay the employer a grant covering 80% of wages up to £2,500 per month. This is an increase on the contribution compared to that payable in September and October.

The employer does not have to top up wages to compensate for the 20% which is not covered by the Government support but may choose to do so.

The employer will continue to be liable for National Insurance contributions and pension contributions and cannot claim for the cost of these in the grant.

All employers with a UK bank account and UK PAYE scheme are eligible for CJRS regardless of whether they have previously made a claim.

All employees who were on their employers UK PAYE payroll at 30 October 2020 are eligible for CJRS.

Job Support Scheme

The Job Support Scheme (JSS) was announced in September as part of the Winter Economy Plan but has now been postponed and will begin after the CJRS extension ends. The scheme has two versions, the Job Support Scheme Open and the Job Support Scheme Closed, providing differing levels of support.

The JSS Closed is aimed at businesses that are legally required to close premises as a direct result of coronavirus restrictions set by one or more of the four Governments of the UK.

Under this version the Government will pay employees for two-thirds of their usual hours.

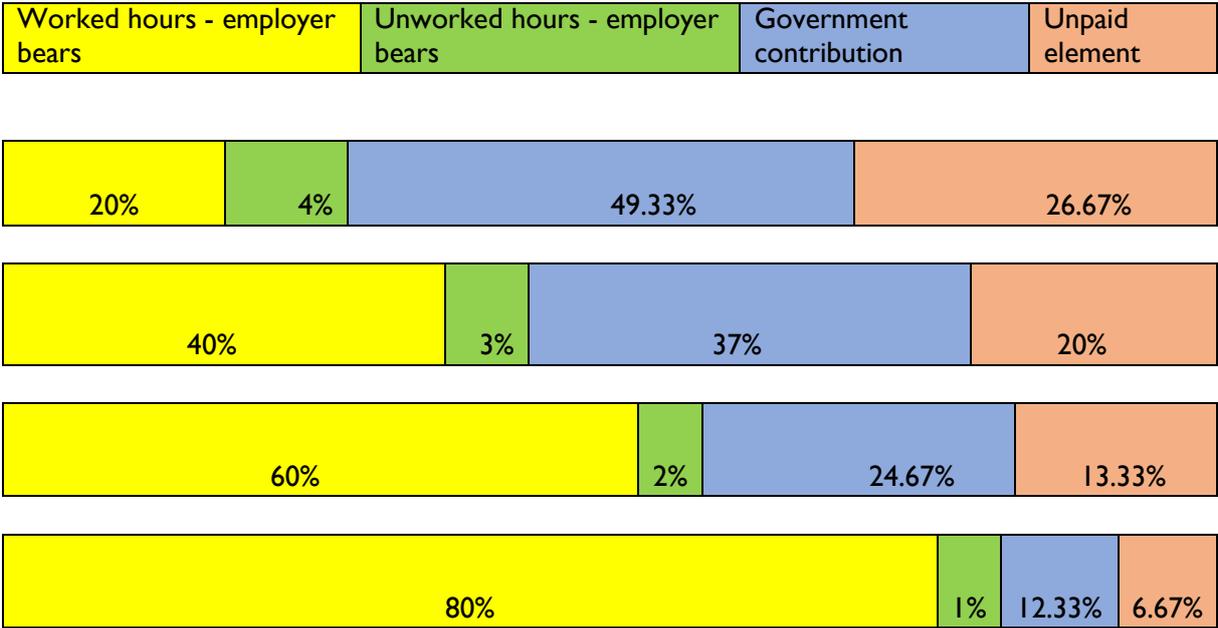
The employer does not have to contribute to the employees' wages although they will be able to top up wages to compensate for the one-third which is not covered by the Government support.

The JSS Open is aimed at businesses that can open but are suffering from reduced demand.

The changes to JSS Open since it was first announced are:

- Employees must work at least 20% of their usual hours instead of one-third.
- Employers will be able to claim back 61.67% of the cost of un-worked hours instead of one-third. The claim for each individual will be capped at £1,541.75 per month increased from £697.92.
- Employers must fund 5% of the cost of un-worked hours instead of one-third. This is capped at £125 per month for each individual.
- Employers will be able to top up wages to compensate employees for the one-third of un-worked hours which is not covered by the Government support.

To illustrate for a usual working period:



Eligibility criteria applies for both employers and employees. Specifically, employers with 250 or more employees must undertake a Financial Impact Test. More details of all criteria will be available on the Government website although are currently listed as “withdrawn” following the announcement to extend the CJRS. We will continue to monitor updates to this scheme over the next four weeks.

<https://www.gov.uk/guidance/check-if-you-can-claim-the-job-support-scheme>

Self-Employment Income Support Scheme Grant Extension

The grant covering the three month period from 1 November 2020 to 31 January 2021 has increased from 20%, of average monthly trading profits, to 80% for November and 40% for December and January, capped at £5,160.

Eligible individuals will be able to claim from 30 November 2020.

The Government will review the level of the grant covering the three month period from 1 February 2021 to 30 April 2021 in due course.

Business Support Grants

The Government is providing funding to local authorities to pay grants to businesses required to close due to national or local restrictions. The grant amount will be based on the rateable values of properties occupied by the business.

The level of funding announced by Government is:

Rateable value	Monthly grant
Up To £15,000	£1,334
£15,000 to £51,000	£2,000
Over £51,000	£3,000

However local authorities may have discretion to determine eligibility and levels of funding for businesses in their area.

Applications for grants will need to be made to the local authority in which the business operates.

This document is intended as a general guide and although Chavereys have made every effort to ensure accuracy, they cannot accept liability for any errors of fact or opinion. © Chavereys 2020