

Written 24 September 2020

JOB SUPPORT SCHEME

H M Treasury have released a Job Support Scheme factsheet explains what is covered by the grant, which employers and employees are eligible, and how to claim. This also includes examples:

7. Examples

- Beth normally works 5 days a week and earns £350 a week. Her company is suffering reduced sales due to coronavirus. Rather than making Beth redundant, the company puts Beth on the Job Support Scheme, working 2 days a week (40% of her usual hours).
- Her employer pays Beth £140 for the days she works.
- And for the time she is not working (3 days or 60%, worth £210), she will also earn 2/3, or £140, bringing her total earnings to £280, 80% of her normal wage.
- The Government will give a grant worth £70 (1/3 of hours not worked, equivalent to 20% of her normal wages) to Beth's employer to support them in keeping Beth's job.

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%

The Job Support Scheme is designed to protect viable jobs in businesses who are facing lower demand over the winter months due to Covid-19, to help keep their employees attached to the workforce. The scheme will open on 1 November 2020 and run for 6 months.

The company will continue to pay its employee for time worked, but the cost of hours not worked will be split between the employer, the Government (through wage support) and the employee (through a wage reduction), and the employee will keep their job.

The Government will pay a third of hours not worked up to a cap, with the employer also contributing a third. This will ensure employees earn a minimum of 77% of their normal wages, where the Government contribution has not been capped.

Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus if they meet the eligibility criteria.

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

Download the factsheet here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921389/Job_Support_Scheme_Factsheet.pdf