

Coronavirus Job Support Scheme (CJSS) from 1 November 2020

New support for viable jobs until 30 April 2021

As anticipated, the Chancellor has outlined the new scheme to replace the Coronavirus Job Retention Scheme (CJRS) furlough scheme.

The headlines are:

- Aimed at 'viable' jobs where the employee is fully employed for at least 1/3 of their normal hours (the government may increase this after 3 months)
 - Government then supports 1/3 of the remaining 2/3
 - Employers also supports 1/3 of the remaining 2/3
- Employee Gross pay 'guaranteed' at 77% of their normal pay
- Employer funds 55% of the Gross pay for 33% of hours worked
- Employees on the scheme cannot be made redundant
- Capped at £697.92
- For all SMEs with less than 250 employees (although connected company rules may apply)
- For larger employers whose turnover has fallen

There will be a lot of detail to follow, but it is worth noting:

- No additional NIC or Pension support as was included in Phase 1 of CJRS
- No details on measure of Turnover or by how much it needs to have fallen to qualify
- Each short-time working period must be a minimum of 7 days
- No support for the many jobs still on full furlough where it may not be viable for them to work 1/3 of their normal hours and the Employer to support more than 50% of the payroll cost
- Open to all Employers, even if they didn't furlough, but all included employees must have been on an FPS sent by midnight on 23 September 2020
- Government support is paid in arrears (after the employee has been paid and RTI submission made) under the new scheme
- Short-term working agreements must be made in writing

In general a 'guaranteed' ongoing 77% regular pay rate is generous to furloughed employees given that under the existing CJRS scheme employees must receive 80% of their regular pay. However, the government support which currently funds 60% of this such that the employer is required to fund 20% is reducing to only 33% meaning that employers are required to fund a bigger proportion of pay. The support could however help employees and employers to better plan rotas and finances for the next 6 months to make sure as many furloughed employees as possible are working at least 33% of their usual hours.

There will be a number of employers where the new scheme will not necessarily protect jobs, where perhaps they have experienced a 'bounce back' and who may find that this year they 'match' the performance of last year or experience a small drop and break-even or make small profits. However, the next 6 months could well be very different and a measure based on how well they have weathered the storm may leave many employers not qualifying and having to make staff cuts where they project the next 6 months will not be as good as the last.

The coronavirus jobs retention bonus will remain and this is welcome, though the CJSS and the CJRS bonus are still focused on jobs retained and the idea of viable jobs. There are many employees still on full furlough who may not be able to be provided with 33% of their hours and so not qualify and possibly still lose their jobs.

Please get in touch if you have queries:

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The above guidance is provided for your information and is our summary of the latest position as we see it. Please also note that Government advice is being updated on a daily basis.

If you are concerned about being impacted financially due to the Coronavirus, we are here to support you or if you require more specific advice on your situation and how the COVID-19 pandemic may affect your business. Reach out to discuss how we can help. <https://www.taitwalker.co.uk/insight/covid-19/>