

COVID-19 UK Employment Update: Furlough Scheme Ending, Job Support Scheme Extended

The unprecedented Coronavirus Job Retention Scheme (CJRS) is coming to end, as scheduled, on 31 October. As covered in our previous bulletin, the CJRS is being replaced by the Job Support Scheme (JSS). This is significantly less generous, and is intended to protect only “viable” jobs. It applies where employees work a minimum of 33% of their normal hours, with the Government and employer each paying a third of the employee's usual wages, with the Government contribution capped at £697.92 a month. See our previous bulletin [here](#) for further details.

With the implementation this week of the three tier system of local COVID alert levels (announcement [here](#)), there is now the potential for some businesses to be forced to close. For instance, where “tier three” restrictions are imposed – as is already the case in Liverpool – pubs and bars have to close, unless they operate as a restaurant.

The Government has therefore announced an extension of the JSS for employees of businesses which are forced to close their premises as a result of coronavirus restrictions (or where they are restricted to delivery and collection services).

Under this extension, from 1 November, the Government will pay eligible businesses two thirds of each employee's normal pay, subject to a maximum of £2,100 per month. Employers will not have to supplement the government contribution towards wages (unlike with the standard JSS) but will have to pay NICs and pension contributions. As with the standard JSS, HMRC will administer claims, with payments made on a monthly basis in arrears.

Conditions include that the employee must be prevented from working for at least seven days and an RTI submission must have been made to HMRC notifying payment to the relevant employee on or before 23 September (so employees who joined recently will be excluded). Unlike the standard JSS, where large employers are subject to a financial assessment test, the extension applies to all employers without any such test.

As with the standard JSS, the scheme begins on 1 November 2020 and will be available

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for six months, with a review in January 2021.

Full rules are to be published, and the situation is fast-moving, so it is likely that there will be further developments.