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UK Government Announces Job Support Scheme

The Chancellor of the Exchequer, Rishi Sunak, today announced a number of “radical interventions in the UK Labour market” with the aim of protecting UK jobs over the winter period. These include a new Job Support Scheme which will take over when the Coronavirus Job Retention Scheme (commonly known as the “furlough scheme”) ceases at the end of October. Under the Job Support Scheme:

- For six months from 1 November 2020, the government (and employers) will subsidise the pay of eligible employees who are working fewer hours than normal due to lower demand.
- Where employees work a minimum of 33% of their normal hours, and are not "on a redundancy notice," they will be entitled to receive two-thirds of their pay for the hours they do not work, with the government and the employer paying one third of those wages each. The government contribution will be capped at £697.92 per month.
- Eligibility criteria are more stringent than under the furlough scheme, with large businesses having to prove that their turnover has fallen during the COVID-19 pandemic to be eligible.

There will undoubtedly be further detail to come, but this is another unprecedented measure which seeks to protect jobs during the pandemic.

The Chancellor also announced other measures including an extension of the existing self-employed grant: a “pay as you grow” scheme for businesses which took government-guaranteed loans during the Covid-19 crisis, extending their bounce back loans from six to ten years; and an extension of the government guarantee on Coronavirus Business Interruption Loans to up to ten years.

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