

Update on the Government's Support for Businesses This Winter

The key announcements on 5 November were:

- The extension of the Coronavirus Job Retention Scheme (CJRS) for furloughed employees until the end of March 2021, rather than finishing on 2 December 2020.
 - Consequently, the two versions of the Job Support Scheme that were due to come in on 3 December will now not happen (at least until the CJRS has finished).
- The Job Retention Bonus, due to give a payment to the employer in February 2021 of £1,000 per employee, where a previously furloughed worker is kept in employment until the end of January 2021, will no longer be paid.
- An increase in the third self-employed grant, covering November to January, from 55% to 80% of relevant trading profits. This is the same amount as the first grant earlier this year.

Note that the extension of the CJRS and the higher self-employed grants apply throughout the UK.

CJRS (1 November 2020 to 31 March 2021)

- Eligible employees will receive 80% of their usual salary for hours not worked, up to a maximum of £2,500 per month.
- Employer flexibility
 - Businesses will have flexibility to use the scheme for employees for any amount of time and shift pattern, including furloughing them full-time.
- There will be NO employer contribution to wages for hours not worked, at least initially.
 - Employers will only be asked to cover employer National Insurance and employer pension contributions for hours not worked.
 - The government will review the policy in January to decide whether economic circumstances are improving enough to ask employers to contribute more.
- A claim can be made either shortly before, during or after running payroll.
 - Claims can be made from 8am on Wednesday 11 November.
 - Claims made for November must be submitted to HMRC by no later than 14 December 2020.
 - Claims relating to each subsequent month should be submitted by day 14 of the following month, to ensure prompt claims following the end of the month that is the subject of the claim.
- Eligible employees
 - An employer can claim for employees who were employed and on their PAYE payroll on 30 October 2020.

- Employees that were employed and on the payroll on 23 September 2020, but who were made redundant or stopped working afterwards, can be re-employed and a claim made for them.
- In either case, the employer must have made an RTI submission between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.
- **There is no need for an employee to have been previously furloughed.**
- 'Normal wages'
 - Previously eligible CJRS employees continue to have their reference pay and usual hours calculated as they have been for the scheme up to the end of October.
 - For newly eligible employees (i.e. those not previously furloughed) the pay reference period will be:
 - for fixed-rate employees, the last pay period on or before 30 October 2020;
 - for variable pay employees, the **average** over the period from 6 April 2020 to the last pay period on, or before, the day before they were furloughed under this new scheme.

Self-employed Income Support Scheme (SEISS)

- Grant 3, covering the period November 2020 to January 2021, will now pay 80% of 3 months' relevant trading profits, capped at a maximum grant of £7,500.
- The window for claiming the grant will open on 30 November.
- Grant 4 is due to be payable for the period February to April 2021, but we still await details of how this will be calculated.