

Amendments to the Job Support Scheme and other COVID-19 support updates

On Thursday 22 October, the Chancellor announced changes to the upcoming Job Support Scheme (JSS), increasing the level of Government support to be provided to meet the wages of employees working for only part of their usual hours.

Under the amended JSS, employees will be required to work only 20% of their usual hours (previously 33%), in respect of which they should be paid in full by their employer. In respect of any unworked hours, employers will be required to pay 5% of employees' wages (previously 33⅓%), with the Government providing grants to cover 61⅔% (previously 33⅓%) and the remaining 33⅓% being unpaid.

For example, for an employee working the minimum 20% of their usual hours:

- The employer pays $20\% + (5\% \times 80\%) = 24\%$ of the employee's usual pay.
- The Government pays $61\frac{2}{3}\% \times 80\% = 49\frac{1}{3}\%$, up to a cap of £1,541.75 per month.
- The employee receives a total of 73⅓% of their usual pay.

The "expansion" to the JSS for businesses in "very high" alert ("tier 3") areas that are forced to close remains available, whereby the Government will pay 66⅔% of the wages of eligible employees.

Self-Employed Income Support Scheme (SEISS)

It was previously announced that two further taxable SEISS grants will be available. The first of these grants (the third overall) has now been increased to 40% of three months' average trading profits, capped at £3,750 (previously due to be 20%, capped at £1,875). Notably, the qualifying conditions for this third grant appear to have narrowed, now requiring that there has been "reduced demand" for the business.

Details of the level of the fourth grant will be confirmed in due course.

Business grants

Additional funding will be provided to Local Authorities to support businesses in "high" alert ("tier 2") areas. Local Authorities will be free to determine eligibility criteria and payment levels for grant funding for businesses, but the total Government funding provided will be based on the number of hospitality and leisure businesses in the area.

Businesses in "very high" alert ("tier 3") areas will qualify for greater support, up to £3,000 per month.

The Government has published a factsheet providing key details of the grant funding arrangements:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/928760/BUSINESS_GRANTS_FACTSHEET.pdf