

Mitchell Holt & Co

Chartered Accountants

Changes to the Job Support Scheme for businesses forced to close due to local or national lockdown measures

The Chancellor has announced an extension to the Job Support Scheme (JSS). The expanded scheme will include additional support for employees of businesses that are forced to close because of local or national lockdown measures.

The extended scheme will run in parallel with the main JSS for six months from 1 November 2020. The scheme rules are due to be reviewed in January 2021.

Under the specific terms of the expanded scheme, the government will pay two-thirds (67%) of employees' salaries, up to a maximum of £2,100 a month. Employees must be off work for at least seven consecutive days to benefit from the expanded scheme.

When premises re-open the regular JSS rules will apply, whereby employees must work at least one-third of their hours, paid as normal. The government and employer will then each cover one-third of any remaining hours the employee is not working.

Businesses will only be able to claim the extended grant whilst they are subject to specific lockdown measures that require the closure of their business premises. The expanded scheme will also be available to businesses restricted to delivery or collection services from their premises. However, businesses that have to close as a result of specific outbreak within the workplace are not eligible for this scheme.

In line with the main JSS, the grant will be paid in arrears, reimbursing the employer for the government's contribution.

The claim portal will be launched from December 2020 and claims will be paid on a monthly basis. This means that employers will have to use cash reserves or borrow money in order to pay their employees' wages in advance of receiving the monthly grant.

Lockdown grants

As well as expanding the JSS, the Government will also increase the value of cash grants offered to businesses in England forced into lockdown to support them with fixed costs.

Linked to the rateable value of business premises, the increased grants will see payments of up to £3,000 per month, payable every two weeks, instead of up to £1,500 every three weeks.

Under this reformed grant scheme:

- small businesses with a rateable value of, or below, £15,000 can now claim £1,300 per month;
- medium-sized businesses with a rateable value between £15,000 and £51,000 can claim £2,000 per month; and
- larger businesses can claim £3,000.

The Government is also extending this scheme to include businesses that are forced to close on a national basis, such as nightclubs.

CONTACT US

If you have any queries or need any advice, please do not hesitate to contact us on:

Tel: [01925 222 003](tel:01925222003)

Email: info@mitchellholt.co.uk

Mitchell Holt & Co
Chartered Accountants

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