

Job Support Scheme Expanded For Businesses Required To Close - 11 October 2020

It is expected that many hospitality businesses in areas of the UK experiencing high COVID infection rates will be asked to close in order to slow down hospital admissions.

Recently, the Chancellor, Rishi Sunak, announced additional financial support for affected businesses. Support announced comes in two forms:

1. A UK wide extension of the Job Support Scheme, and
2. In England, a monthly grant of up to £3,000 to cover fixed costs.

The features of each are outlined below.

Extension of the Job Support Scheme (JSS)

This extended support will be available to businesses across the UK that are required to close their premises due to coronavirus restrictions.

Businesses required to close as a result of specific workplace outbreaks by local public health authorities are not eligible to claim under this extended JSS scheme.

To make a claim, employers must have a UK bank account and be registered with a UK PAYE scheme on or before 23 September 2020.

Employers will only be able to use the scheme for employees who cannot work (paid or unpaid) for that employer.

Any payments received from government will be taxable.

What are the additional benefits offered?

- Government will pay two-thirds of employees' monthly salaries up to a maximum of £2,100 per month, per employee.
- Employers will not be required to contribute to wages and will only have to pay any National Insurance and pension costs.
- This expanded JSS will be available for six months from 1 November 2020.
- The scheme will only apply to businesses required to close due to coronavirus restrictions. It will include premises restricted to delivery or collection only services from their premises.
- To claim, employees must be off work for a minimum of seven consecutive days.

When will the additional JSS payment be made?

As with the wider JSS scheme, claims for November will be processed in December via an online portal. Subsequent months' claims will thus be paid one month in arrears.

HMRC will require to see evidence to check your claims

As with other government grants, HMRC will check claims and demand repayments of any claims made incorrectly or fraudulently. In particular, employers should agree and notify claims in writing with affected employees.

HMRC may ask to see these written agreements.

HMRC have also indicated that they will be publishing the names of employers that have claimed under the scheme.

Cash Grants for businesses required to close in England

Cash grants to businesses required to close in England are also being increased. These cash grants are to support business owners with fixed costs: those costs payable even if the business is closed.

Grants will be linked to rateable values of business premises and will be paid every two weeks. This should provide extra financial support to businesses across the hospitality sector that are required to close due to COVID restrictions.

- Smaller businesses with rateable values at or below £15,000 will be able to claim £1,300 per month.
- Medium-sized businesses with a rateable value between £15,000 and £51,000 will be able to claim £2,000 per month, and
- Larger businesses will be able to claim £3,000 per month.

The developed administrations in Scotland, Wales and Northern Ireland will be receiving additional financial support to offer similar measures in the developed areas, should they choose to do so.