



# UK Job Support Scheme Set to Begin in November 2020

Insights

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The UK government recently announced a new Job Support Scheme, which will replace the UK Coronavirus Job Retention Scheme (the “Furlough Scheme”) upon its expiration on October 31, 2020. The Furlough Scheme has been in place since March 2020 to help employers cover up to 80% of the wages for employees who would otherwise have been laid off, up to a maximum of £2,500 per month.

## How Will the Job Support Scheme Work?

Under the new program, an employee must be scheduled to work at least one-third of their regular hours for which they will receive their usual pay from their employer. For every hour not worked, the employer and the government will each pay one-third of the employee’s usual pay. The government’s contribution will be capped at £697.92 per month.

The contribution from the government will not cover the employer’s national insurance contributions or pension contributions, which will remain payable by the employer.

## Which Businesses are Eligible?

All small and medium-sized businesses will be automatically eligible. Larger businesses will need to undergo a financial assessment test to demonstrate that turnover has been reduced by the pandemic. Large businesses that take part in the Job Support Scheme will not be able to make any capital distributions, such as dividend payments or share buybacks, during the period they are taking advantage of the program.

The Job Support Scheme will be available to employers even if they have not previously used the Furlough Scheme. Employers will still be able to apply (if eligible) for the Coronavirus Job Retention Bonus while they are taking advantage of this scheme. (Eligible employers will be paid a £1,000 bonus for every furloughed employee they bring back to work. To be eligible, employers must pay each worker at least £520 per month on average and continuously employ them through January 31, 2021. For more information on this bonus, refer to [our July 13, 2020 article](#).)

## Which Employees are Eligible?

To be eligible for the Job Support Scheme, an employee must have been on the employer’s payroll on or before September 23, 2020. Employees will also be required to work a minimum of 33% of their usual hours. This minimum required level of work may be increased by the government on review after the first three months of the Job Support Scheme.

## **What Restrictions Does this Scheme Place on Employers?**

Employees cannot be made redundant or given notice of redundancy while the employer is taking part in the Job Support Scheme. Additional guidance on the UK Job Support Scheme is expected in the coming weeks. For questions regarding the Scheme or navigating UK employment law, please reach out to any member of Fisher Phillips' International Practice Group.

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