

On 24th September Chancellor Rishi Sunak delivered his **Winter Economy Plan**.

These measures are intended to protect jobs and help the self-employed throughout the expected difficult winter.

We have updated the information and here have provided a summary of his statement in Parliament along with what we know to date that would be useful for you to know.

Job Support Scheme

JSS has been amended since the Winter Economy Plan was announced in September.

On 22 October, Rishi Sunak unveiled increased support for jobs and workers as businesses faced tougher times in regions moving into Tier 2.

The scheme has been split into two, depending on the circumstances; **JSS Open** and **JSS Closed**.

Employers may access either parts of the JSS even if they have not previously used the Coronavirus Job Retention Scheme (CJRS).

JSS OPEN.

THIS JOB SUPPORT SCHEME REPLACES FURLOUGH.

- The employer pays its employee for short-time hours worked, with the cost of the shortfall – i.e. the hours not worked - being split between the employer, the Government and the employee (through a wage reduction).
- Applies to businesses which are still open, but struggling i.e. in tier 1 or 2 and operating under limitations.
- Employers can only claim for employees that were in their employment on 23 September 2020.
- Employee must work a minimum of 20% of usual hours (reduced from 33% of hours)
- For the remaining 80% not worked the gov will pay 61.67% of that time and employer pays 5% (changed from gov paying 22% and employer paying 22%)
- Employer covers NIC and pension costs.

JSS CLOSED.

THE ADDITIONAL SCHEME.

- Applies to businesses legally required to close under covid restrictions i.e. in a region under tier 3 restrictions.
- Employer pays employee 67% of normal salary up to £2,083.33 pm. Government reimburses employer.
- Employee loses out on 33% of usual income.
- Employer covers NIC and pension costs.

The claims process

Employers will be able to make a claim through the Government Gateway from 8 December 2020, covering salary for pay periods ending and paid in November, and will be paid on a monthly basis in arrears. Unfortunately, this will cause a cashflow headache for some employers.

Redundancy restrictions

Employees cannot be made redundant, be put on notice of redundancy or be serving a contractual or statutory notice period during the period within which their employer is claiming the JSS grant for them.

Fraudulent claims

HMRC have said that they will check claims. As with the CJRS, payments may be withheld or need to be paid back, with penalties, if a claim is found to be fraudulent or based on incorrect information.

SEISS Grant Extension

Under the original scheme two separate taxable grants ('the initial grants') were claimable:

- First grant for the period ending 13 July 2020.
- Second grant for the period from 14 July 2020.

An extension ('the extended scheme') provides for two additional taxable grants payable for the three months from 1 November 2020 to 31 January 2021 and 1 February 2021 to 30 April 2021.

For further and more detailed information search 'SEISS Grant Extension factsheet' or drop us a line.

VAT Deferral New Payment Scheme

If you deferred VAT payments that were due between 20 March and 30 June 2020, you will no longer have to pay the entire amount in March 2021. Instead, you may opt to spread the payment of the deferred liability over 11 months interest-free.

Businesses who deferred payment will need to opt into the new scheme, but all are eligible. HMRC will put in place an opt-in process in early 2021 and further details will be provided when it is published.