

The New Job Support Scheme – What do I need to know?

Yesterday the Government announced a new job support scheme which will replace the flexible working scheme from 1 November 2020. Here are some bullet points from the team at Apex. We hope this will provide you with information around the new scheme and how it fits with the Governments wider Winter Economy Plan. The key is in understanding the scheme ourselves so we can support our teams through open and honest conversation about the impact on your business.

You are still eligible for the Furlough Bonus Scheme alongside the New Job Support Scheme.

- The scheme will run from 1 November 2020 to 30 April 2021
- The scheme is open to all small and medium sized SME subject to having UK bank account and UK PAYE
- Employees must have been on their employers payroll on or before 23rd Sept 2020
- Employee's can go on and off the scheme but each arrangement must last for at least 7 days
- The Governments contributing part does not cover employers pension or NIC
- Larger businesses may be eligible for the scheme but must be able to demonstrate a reduced turnover that has been adversely affected by Covid-19
- Employees **must** return to work for at least 33% of their usual hours
- Every hour over the 33% the employer will pay 1/3 and the government will pay 1/3 [please note the government contribution is capped at £697.92]
- Employees will receive 77% of their normal pay [providing the government cap is not applied]
- Employers are required to cover the employee's pay and will be reimbursed by the government in arrears
- Employees on redundancy notice are **not** eligible for this scheme
- You will still need to put your team on the scheme by agreement, we would recommend a signed agreement letter to keep records should HMRC do an audit

As part of the Winter Economy Plan further support is available to support businesses including;

- The Government have extended the temporary reduction in VAT for food and non-alcoholic drinks, accommodation and attractions sectors of the hospitality and tourism sector. The extension will run from 12 January 2021 to 31 March 2021.
- A new payment scheme has been introduced for paying back VAT tax liabilities. Under the previous arrangements VAT accrued in 2021 was due to be paid back by 31 March 2021. The new scheme allows you to extend these payments to 11 equal payments paid over 2021/22 financial year. Please note that you will be required to opt into this option and HMRC will provide more details in the new year on this process and of course the Apex team will keep you updated.
- As you are aware the government introduced previous loan schemes such as the bounce back loans which are 100% government guaranteed. The new pay as your grow options allows businesses to extend the payback term up to 10 years as well as pausing or making interest only payments if required.

This is for information purpose only and further advice and guidance should be sought for individual business circumstances. Come and talk to us at www.apexhr.co.uk This is accurate in relation to government guidelines as of the 24 September 2020 and date of publish.