

Millions of jobs will continue to be supported as Job Support Scheme launches

- combined with the Job Retention Bonus (JRB), the Job Support Scheme (JSS) will cover at least 95% of the total employment costs for average previously furloughed employee until February
- when factoring in the JRB analysis shows employers will receive the full employment costs of around half of people on JSS Open – which is available to businesses across all parts of the UK from Sunday
- data shows the Coronavirus Job Retention Scheme (CJRS) has successfully protected jobs – with 90% of people returning to the same job after being furloughed

It comes as analysis reveals the generosity of the government's income support schemes – with many firms receiving the full employment costs of staff.

Chancellor of the Exchequer, Rishi Sunak, said:

I'm pleased that the IMF this week called our response to the pandemic one of the best examples of coordinated action globally – the furlough scheme has been central to that, supporting 9.6 million jobs through some of the most challenging economic times.

But it's right that as we move towards a more targeted approach to tackle the virus, our support becomes more targeted too.

The Jobs Support Scheme will continue to protect jobs throughout the difficult months ahead and is part of our comprehensive Plan for Jobs.

The JSS scheme launches on Sunday and is designed to support businesses across the whole of the UK who are either legally required to close or facing lower demand over the winter months. Under the JSS Open part of the scheme, which was made more generous last week, the government contributes 62% towards the wages of staff for the hours they do not work, whilst the employers pay just 5% plus NICs and pensions contributions. Employees receive a minimum of 73% of their wages.

Under JSS Closed, which is for businesses legally required to close due to coronavirus restrictions, the government will pay two thirds of each employees' salary with employers just covering NICs and pension contributions, a very small proportion of overall employment costs.

Firms who retain staff that have previously been furloughed until the end of January will also receive a £1,000 per eligible employee payment under the

JRB.

Taken together, the two schemes (JSS0 and JRB) will cover 95% of the employment costs of the average previously furloughed employee until the end of January. For those earning less than £1,100 per month the JRB offsets all the employer costs of the JSS Open— meaning businesses will not have to make any contributions. Under the original CJRS around half of furloughed workers had earnings below this level.

For many lower earning employees on Universal Credit (UC), the combined impact of the support of the JSS and UC will mean they could receive around 90% of their normal net income (whilst working only 20% of the hours).

The CJRS closes on Saturday 31 October ahead of the JSS launch on Sunday 1 November. As the scheme draws to a close new data published by HMRC shows that during the scheme's eight month life it has protected 9.6 million jobs through some of the most challenging economic times the country has ever faced – with 90% of those coming off furlough by August returning to the same job.

The JSS and JRB are just one part of our generous package of measures, that includes the extended business grants and Self-Employed Income Support Schemes announced last week, which will continue to support businesses and livelihoods across the country over the winter months.

Further information

- there is no gap in support between the CJRS and JSS
- the deadline for submitting CJRS claims is 30 November
- the JSS launches on 1 November, and employers can submit claims directly to HMRC from December 2020
- [HMRC stats](#) show that 90% of those coming off furlough before August returned to the same job
- for more information, see the [Covid-19 Financial Support Package: Fact Sheet](#) (PDF, 189KB, 10 pages)

Case studies

Example 1 – Job Support Scheme Open

- Andrew normally works 5 days a week and earns £1400 a month, working in at a restaurant in the hospitality sector. His company is suffering reduced sales due to coronavirus. Rather than making Andrew redundant, the company puts Andrew on the Job Support Scheme, working 20% of his usual hours.
- His employer pays Andrew £280 a month for these hours.
- And for the time he is not working (80%), he will get 66.67% of his pay for that time. His total wage package is 73%, equal to £1,027. The government will give a grant worth £691 (61.67% of hours not worked) to Andrew's employer to support them in keeping Andrew's job, and his employer will pay a further £56 for hours not worked (5% of wages).
- In addition, the employer will cover the Employer NICs and

autoenrollment pension contribution on the payment (£56).

- His employer may also be eligible for the Job Retention Bonus worth £1,000, this would cover 94.6% of employers total costs for retaining Andrew on the JSS between November and January.
- For many lower earning employees on Universal Credit (UC), the combined impact of the support of the JSS and UC will mean they could receive around 90% of their normal net income (whilst working only 20% of the hours).

Example 2 – Job Support Scheme Open

- Elena normally works part-time and earns £1,100 a month. Her company is suffering reduced sales due to coronavirus. Rather than making Elena redundant, the company puts Elena on the Job Support Scheme, working 20% of her usual hours.
- Her employer pays Elena £220 a month for these hours.
- And for the time she is not working (80%), she will get 66.67% of her pay for that time. Her total wage package is 73%, equal to £807.
- The government will give a grant worth £543 (61.67% of hours not worked) to Elena's employer to support them in keeping Elena's job, and her employer will pay a further £44 for hours not worked (5% of wages).
- In addition, the employer will cover the Employer NICs and autoenrollment pension contribution on the payment (£19).
- Her employer may also be eligible for the Job Retention Bonus worth £1,000, this would cover over 100% of employers total costs for retaining Elena on the JSS between November and January.
- For many lower earning employees on Universal Credit (UC), the combined impact of the support of the JSS and UC will mean they could receive around 90% of their normal net income (whilst working only 20% of the hours).

Example 3 – Job Support Scheme Closed

- Charlie normally earns £1,400 a month and his company needs to close due to coronavirus. Rather than making Charlie redundant, the company puts Charlie on the Job Support Scheme Closed.
- The government will give a grant worth 66.67% of Charlie's pay to his employer to support them in keeping Charlie's job.
- That means for the time he is not working, he will get 66.67% of his pay. His total wage package is equal to £933.
- The employer will cover the Employer NICs and autoenrollment pension contribution on the payment.
- For many lower earning employees on Universal Credit (UC), the combined impact of the support of the JSS and UC will mean they could receive around 90% of their normal net income (whilst working only 20% of the hours).

Example 4 – Job Support Scheme Closed

- Dalia normally earns £1,100 a month part-time and her company needs to close due to coronavirus. Rather than making Dalia redundant, the company puts Dalia on the Job Support Scheme Closed.

- The government will give a grant worth 66.67% of Dalia's pay to her employer to support them in keeping Dalia's job.
- That means for the time she is not working, she will get 66.67% of her pay. Her total wage package is equal to £733.
- The employer will cover the Employer NICs and autoenrollment pension contribution on the payment.
- For many lower earning employees on Universal Credit (UC), the combined impact of the support of the JSS and UC will mean they could receive around 90% of their normal net income (whilst working only 20% of the hours).