

Job Support Scheme expanded to firms required to close due to Covid Restrictions



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Job Support Scheme will be expanded to support businesses across the UK required to close their premises due to coronavirus restrictions

government will pay two thirds of employees' salaries to protect jobs over the coming months

cash grants for businesses required to close in local lockdowns also increased to up to £3,000 per month

Under the expansion, firms whose premises are legally required to shut for some period over winter as part of local or national restrictions will receive grants to pay the wages of staff who cannot work - protecting jobs and enabling businesses to reopen quickly once restrictions are lifted.

The government will support eligible businesses by paying two thirds of each employees' salary (or 67%), up to a maximum of £2,100 a month.

Chancellor of the Exchequer, Rishi Sunak, said:

Throughout the crisis the driving force of our economic policy has not changed.

I have always said that we will do whatever is necessary to protect jobs and livelihoods as the situation evolves.

The expansion of the Job Support Scheme will provide a safety net for businesses across the UK who are required to temporarily close their doors, giving them the right support at

the right time.

Under the scheme, employers will not be required to contribute towards wages and only asked to cover NICs and pension contributions, a very small proportion of overall employment costs. It is estimated that around half of potential claims are likely not to incur employer NICs or auto-enrolment pension contributions and so face no employer contribution.

Businesses will only be eligible to claim the grant while they are subject to restrictions and employees must be off work for a minimum of seven consecutive days.

The scheme will begin on 1 November and will be available for six months, with a review point in January. In line with the rest of the JSS, payments to businesses will be made in arrears, via a HMRC claims service that will be available from early December. Employees of firms that have been legally closed in the period before 1 November are eligible for the CJRS.

The scheme is UK wide and the UK Government will work with the devolved administrations to ensure the scheme operates effectively across all four nations.

This comes alongside intensive engagement with local leaders today on potential measures are coming in their areas.

In addition to expansion of the JSS, the government is increasing the cash grants to businesses in England shut in local lockdowns to support with fixed costs. These grants will be linked to rateable values, with up to £3,000 per month payable every two weeks, compared to the up to £1,500 every three weeks which was available previously. This could benefit hundreds of thousands of businesses, including restaurants, pubs, nightclubs, bowling alleys and many more.

The devolved administrations in Scotland, Wales and Northern Ireland will benefit from a £1.3 billion increase to their guaranteed funding for 2020-21 - allowing them to continue their response to Covid-19 including through similar measures if they wish.

These measures will sit alongside the original JSS - which is designed to support businesses that are facing low demand over the winter months - and the £1,000 Job Retention Bonus (JRB) which encourages employers to keep staff on payroll.

They build on the government's wider package of unprecedented measures to help protect, create and support jobs through the pandemic, to ensure that nobody is left without hope or opportunity.

Further information

Further details on the expanded JSS can be found on this factsheet: Job Support Scheme Expansion for Closed Business Premises (PDF, 72.1KB, 3 pages)

For photos please see our Flickr.

Further guidance on the scheme will be set out by HMRC in due course.

This scheme will cover businesses that, as a result of restrictions set by one or more of the four governments in the UK, are legally required to close their premises. This includes businesses that are required to provide only delivery and collection services from their premises. To be eligible employees must be employed and an RTI submission notifying payment in respect of that employee to HMRC must have been made on or before 23 September.

Under the scheme, employees will need to be furloughed for a minimum of seven consecutive days at any given time and the payments to employers will be made monthly in arrears.

The government is now making this scheme more generous so that businesses receive up to £3,000 per month, rather than up to £1,500 per three weeks, and they are eligible for payment sooner, after only two weeks of closure rather than three.

Small businesses with a rateable value of or below £15,000 can now claim £1,300 per month; medium sized businesses with a rateable value between £15,000 and £51,000 can claim

£2,000 per month; and larger businesses can claim £3,000.

The government is also extending the scheme to include businesses which have been forced to close on a national rather than a local basis.

In July we announced an unprecedented guarantee that the devolved administrations in Scotland, Wales and Northern Ireland would receive a minimum of £12.7 billion in additional resource funding this year.

Today the UK government is uplifting that by £1.3 billion, to at least £14 billion. This means at least £7.2 billion for the Scottish Government, £4.4 billion for the Welsh Government and £2.4 billion for the Northern Ireland Executive, on top of their Spring Budget 20 funding.

We will also continue to help local authorities. Those at the highest levels of incidence will continue to receive targeted funding based on population size to support test, trace and contain activities at this stage of the national Covid-19 response. This is on top of £3.7 billion in grants to address Covid-related pressures, and £300 million for local authorities to develop outbreak plans, already allocated across England.

The government has previously committed £400 million to support local authorities' Test, Trace and Contain Activities in England:

£300 million has already been allocated for local authorities to develop local outbreak plans

the remaining £100 million is being allocated to local authorities as 'surge funding' in areas of local restriction

£20 million of this £100 million has already been allocated based on population size, including to local authorities in Leicester, Lancashire, the North East, Merseyside, and the West Midlands

Broader government support to local authorities in England due to Covid-19 includes:

over £3.7 billion of un-ringfenced grant funding to help them respond to pressure across all their services

over £1.1 billion ringfenced to support social care providers, helping to tackle the spread of the virus

a down payment of £50 million to set up and run the Test and Trace Support Payment - £500 for low-income workers who can't work from home and are told to self-isolate - and we will fully fund the costs of this scheme, including £15 million in discretionary funds

we're providing a further £30 million to LAs improve compliance with and enforcement of non-pharmaceutical interventions (such as self-isolation and business closures) over the next four months, including through COVID Marshalls

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