



Advice for Tenants in Employment

UK Government's Job Support Plan

The Government has announced a package of new measures aimed at helping workers affected by the ongoing coronavirus crisis, including a new Job Support Scheme which will contribute to some employees' wages, and a limited extension of the Self-Employment Income Support Scheme.

Job Support Plan

The current 'furlough' scheme is due to end on 31st October. Therefore, the Chancellor has announced further help with jobs from 1st November with the 'Job Support Scheme'.

This new scheme will only be available for UK small and medium sized businesses (no definition of this as yet, but likely to mean turnover less than £25 million, under 250 employees and gross assets of less than £12.5 million), helping employers for six months from 1st November – 30th April.

To qualify, employees must be on the employers PAYE payroll on or before 23rd September 2020, and must work **at least a third of their normal hours** for the first three months of the scheme, for which they'll be paid in full by their employer. For 'normal hours' they don't work, the cost will be split three ways – the state pays a third, the employer pays a third and the employee loses a third.

The Government's contribution will be capped at £697.92 per month. For those not subject to this cap (ie. those earning less than £38K/yr) employees using the scheme will receive at least 77% of their pay (roughly 55% from your employer and 22% from the state). The Government will consider whether to increase this minimum hours threshold for the next three months of the scheme (Feb-April 2021).

The Government has advised employees will be able to cycle on and off the scheme and do not have to be working the same pattern each month, but each short-term working arrangement must cover a minimum period of seven days.

Those on zero-hours contracts and irregular hours **WILL** be eligible. The Government says there will be "calculations for those with variable working patterns", but it's not yet given details and advised guidance will be published in due course.

The employer will be reimbursed in arrears for the government contribution. The grant will not cover employer's national insurance or pension contributions.

PLEASE NOTE: employees being paid under this scheme cannot be made redundant during the scheme or be under a redundancy notice while their employer is receiving a grant for them under this scheme.

More information will be available in the coming weeks about how this scheme will work. Changes will have to be made to benefit legislation to allow for this new scheme.

Self Employed Income Support Scheme (SEISS) Extension

The Chancellor also announced an extension of the current Self Employed Income Scheme with two further grants until April 2021. These will cover two three month periods as the previous payments under the scheme have, but will be paid at a reduced level.

Crucially, these two new grants will only be paid to those who are **eligible (even if not claimed)** for the current Self Employed Income Scheme and are '*actively continuing to trade but are facing reduced demand due to COVID-19*'. (So you must have filed a tax return for 2018/19, must earn more than 50% of your total income from self-employment and your average trading profit must be no more than £50,000/year).

The grants will be both TAXABLE.

The first lump sum grant will cover a three month period from the start of November until the end of January and will cover 20% of average monthly trading profits and will be capped at £1,875 in total.

The second lump sum grant will cover the next three month period February – end of April 2021. The Government says it will review the level of the second grant and set this in 'due course'.

How to make these claims will be available on Gov.uk in 'due course'.