



October 2020

Job Support Scheme - Example Calculations

The Job Support Scheme (JSS) was amended within the Chancellor's announcement on enhanced support for businesses on 22 October 2020.

Details of the [updated JSS can be seen here](#). Indicative examples of how the calculations work in practice for JSS Open are given below. For the details of calculations employers need to do to work out their claim will be announced at the end of October.

Example 1 (no cap)

Normal pay and hours

John works 5 days a week and earns £1,400 per month

Revised hours

Due to the Covid situation, John has agreed to work 20% of his normal hours

Revised pay

Working hours

Employer pays 20% of his normal pay = £280

Non-working hours

Employer pays 5% of his non-working hours – $5\% * £1,120$ (£1,400 less £280) = £56 (this below the capped level of £125)

Government pays 61.67% of his non-working hours – $61.67\% * £1,120 = £690.70$ (this is below the capped level of £1,541.75)

Total pay for John = £1,026.70 (£280+£56+£690.70)

Employer's NIC - £40.57

Employer's pension – 15.18

Total cost to employer - £391.75

Total grant to claim - £690.70

In addition, if the employee continues to be employed for three months, and meets the criteria already announced, the employer can claim the Job Retention Bonus of £1,000 for John in February.

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Example 2 (cap in place)

Normal pay and hours

John works 5 days a week and earns £3,500 per month

Revised hours

Due to the Covid situation, John has agreed to work 20% of his normal hours

Revised pay

Working hours

Employer pays 20% of his normal pay = £700

Non-working hours

Employer pays 5% of his non-working hours – $5\% * £2,800$ (£3,500 less £700) = £140, but this is capped at £125, unless the employer elects to top the amount up

Government pays 61.67% of his non-working hours – $61.67\% * £2,800 = £1,726.76$, but this is capped at £1,541.75, unless the employer elects to top the amount up

Total pay for John, assuming no top up = £2,366.75 (£700+£125+£1,541.75)

Employer's NIC - £225.60

Employer's pension – £55.40

Total cost to employer - £1,105.96

Total grant to claim - £1,541.75

In addition, if the employee continues to be employed for three months, and meets the criteria already announced, the employer can claim the Job Retention Bonus of £1,000 for John in February.

Normal pay, including hours where these are not fixed, will be calculated using the same principals as for the CJRS calculations. In line with these calculations, the usual hours worked will be by reference to the number of calendar days in the month, rather than the 'simple' percentage used above. Further details of the calculations are to be issued by HMRC shortly.

The portal for making the claim will open on 8 December and each claim will be paid on a monthly basis. It is assumed that the portal will operate in a very similar way to the CJRS portal.

Please contact your usual Rawlinson & Hunter contact and should you require further information or assistance with the above, or any of those listed below.

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Additionally, to assist our clients and readers in sourcing relevant information about government initiatives, financial assistance, guides and support eligibility, we have set up a dedicated COVID-19 Business Relief website containing technical resources and insights. We will be updating [this hub](#) regularly as new information becomes available. View our [COVID-19 resource hub here](#).

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