COVID-19: the extended Coronavirus Job Retention Scheme and Self-Employed Income Support Scheme

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The Coronavirus Job Retention Scheme has been extended until March 2021, with both the Job Support Scheme and the Job Retention Bonus withdrawn. The Self-Employed Income Support Scheme has also been extended and increased.

Announcements in relation to COVID-19 support continue to come thick and fast, and the government threw a curveball with its announcements on 31 October and 5 November. It is very likely that even more announcements will have been made since this article was written and we would encourage you to monitor GOV.UK, and the CIOT, ATT and LITRG websites, for up to date information.

Coronavirus Job Retention Scheme (CJRS)

On 31 October, the Prime Minister announced that the CJRS will continue 'until December' (tinyurl.com/y3rw6s9v). This was quickly followed on 5 November by an announcement by the Chancellor that the CJRS will be 'extended until the end of March 2021' (tinyurl.com/y4skykno).

Under the extended CJRS, for the period from November 2020 to January 2021 the grant available to employers means that employees can receive 80% of their usual salary for hours not worked, up to a maximum of £2,500 per month. The £2,500 cap is proportional to the hours not worked. Employers will, however, need to pay employer NICs and pension contributions for their employees on the full amount that they pay the employee (there is no government support for these liabilities).

To be eligible for the extended CJRS, employees must have been on an employer's PAYE payroll by 23:59 on 30 October 2020. This means a Real Time Information (RTI) submission notifying payment for that employee to HMRC must have been made on or before 30 October 2020. Employees can be on any type of contract and employers will be able to agree any working arrangements with employees. If employees were on an employer's payroll on 23 September 2020 (i.e. notified to HMRC on an RTI submission on or before 23 September) and were made redundant or stopped working for them afterwards, they can also qualify for the scheme if the employer re-employs them.

The time limit for employers to claim a grant under the extended CJRS is very tight. Claims relating to November 2020 must be made by **14 December 2020**. Claims relating to each subsequent month should be submitted by day **14 of the following month**. Claims for the month of November opened on Wednesday 11 November 2020.

Under the extended CJRS, employees **do not** need to have been furloughed under the CJRS previously. For employees that meet the eligibility criteria, and were previously furloughed, employers must use the same calculations for calculating reference pay and usual hours as before. For an employee who meets the criteria of the extended scheme but was not previously eligible for CJRS, the alternative calculations of reference pay and usual hours must be used. And for all other employees, employers must use the CJRS calculations for calculating reference pay and usual hours.

While the CJRS will remain open until 31 March 2021, it will be reviewed in January 2021 and the government will decide then whether employers will need to contribute more for February and March (for example, as was required for September and October). Further details can be found in the government's 5 November policy paper and full guidance was published on 10 November.

Job Support Scheme (JSS)

Having announced on 31 October that the JSS will be introduced following the end of the CJRS, on 5 November it was announced that the JSS had been postponed indefinitely because of the CJRS extension to 31 March 2021.

Job Retention Bonus (JRB)

Similarly, on 5 November it was announced that the JRB will no longer be paid in February 2021, due to the CJRB being extended until 31 March 2021.

Self-Employed Income Support Scheme (SEISS)

On 5 November, the Chancellor announced that the SEISS grant will be extended and increased. The grant extension provides for both a third and fourth grant and is for self-employed individuals, including members of partnerships, who have previously been eligible for the first and second SEISS grants.

To be eligible for a third grant, self-employed individuals must intend to carry on trading, and either: (a) be actively trading but are impacted by reduced demand due to coronavirus; or (b) have previously been trading but are temporarily unable to do so due to coronavirus.

The third grant will cover a three-month period from 1 November 2020 until 31 January 2021. It will be worth 80% of average monthly trading profits paid out in a single instalment covering three months' worth of profits, and capped at £7,500 in total. The online service for the third grant will be available from 30 November 2020. HMRC will provide details about claiming and applications in guidance on GOV.UK in due course.

The fourth grant will cover a three-month period from the start of February until the end of April. HMRC will set out further details, including the level of the fourth grant, in due course.

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