



UNITE TRANSPORT & FOOD UPDATE

COVID-19 Update No. 4 – the Job Support Scheme

In November, the Job Support Scheme (JSS) comes into effect. Unite and other unions fought for the predecessor, the Job Retention Scheme (JRS) and it protected jobs and incomes for millions of households. From July the JRS included those on flexible furlough, combining reduced hours and part-time work with furlough support in sectors.

Along with other unions, Unite has been calling for the JRS to be extended as similar schemes have been in EU countries. The JSS falls short of these calls. But Unite’s aim is to build on this, while campaigning for support for the self-employed and for sectors most hard-hit by Covid-19 like aviation and hospitality.

The Job Support Scheme

- Starts 1 November 2020 and runs for 6 months until 30 April 2021.
- Open to all employers, whether or not they have used the JRS.
- Employees must have been on a firm’s PAYE payroll on or before 23 September 2020. It does not matter whether they were previously on JRS.
- The aim is to provide job and wage support to those who can return to **at least a third of their normal working time**.
- The employer pays for the worked hours. For the rest of the normal hours, the government and the employer pay for 2/3 of them, and split that cost 50:50.
- Employers are banned from putting workers who are protected by the JSS on notice or redundancy.
- Small and medium-sized enterprises don’t face a financial assessment test but large employers **must show a loss of turnover** due to Covid-19.
- The government’s ‘expectation’ is that large firms using JSS will not be making capital distributions, such as dividend payments or share buybacks.
- Employers must agree these new arrangements with employees, including any contract changes, and notify employees in writing.

So a worker would receive up to 77% of normal earnings for working one-third of normal hours.

There is a cap on what the government will contribute of £700 a month or £161 a week. So a worker earning more than around £38,000 a year will receive less than 77%.



For the self-employed, the government is extending its support scheme for 6 months from November, though the taxable grants available are both much lower than previous support for the self-employed and lower than support for employees (see right).

Employers can still receive the government's job retention bonus – £1000 for every employee kept in employment to 31 January.

The JSS in local lockdowns

From 1 November, firms that have to shut due to local lockdowns will get grants to cover payroll costs during that lockdown, and where employees are off work for at least seven days in a row. **The government will pay two-thirds of each employee's salary, up to a cap of £2,100 a month.** Employers can also claim grants of up to £3,000 a month.

Both the expanded JSS for locked-down businesses, and the main JSS take up a key point made by unions about keeping jobs going. The point that an employee can't be made redundant or put on notice of redundancy, during the period when their employer is claiming the JSS grant for them, is vitally important for employees. The JRS – aimed at retaining jobs – has made a major difference to the numbers of people being kept on by their employer through the past few months.

But the government were clear that the JRS would come to an end.

And as employers have to pay a bigger proportion of wages under JSS – about 55% of a worker's pay packet, against just 20% under the JRS – some will struggle to do this. There will be workers who won't be able to work at least a third of their normal hours, who therefore won't be eligible for the JSS. And for all workers, especially those on low pay, any cut in wages puts even more pressure on household budgets.

The JSS goes some way to keeping workers in jobs, rather than face redundancy.

But Unite will continue its fight for support for all workers, across all sectors, and for the self-employed, while Covid-19 continues to affect the economy in unpredictable ways.

Unite Covid-19 advice: <https://unitetheunion.org/campaigns/coronavirus-covid-19-advice/>

*While most businesses have benefited from sector-specific financial support via tax reliefs and extra grants in addition to JRS, the **Self-Employed Income Support Scheme (SEISS)** ceased in August and won't resume until November. The new level of 20% for the SEISS is disproportionately low and derisory. Through lockdown Unite Cab Sector campaigned for support in parity with the JRS for millions of the self-employed as their businesses ground to an unprecedented halt. But this new package of support shows an even greater disparity with other workers, and in most cases won't cover household bills, let alone recurring and accruing overheads. In addition new restrictions on entitlement state that a claimant 'must declare that they are currently actively trading and intend to continue to trade...' Many Unite taxi members are unable to trade, because they are 'extremely clinically vulnerable' or live with someone who is; or they live and work in an area where local lockdown or social restrictions have seen trade plummet. It is a travesty that many of our members who are self-employed or on low incomes are being forced to choose between risking their health or their survival. The taxi sector requires additional assistance. Their work **IS viable, sustainable and an essential public service.***

