

# COVID-19: Extension of the UK's Job Support Scheme

**Tax Talks** on **October 16, 2020**

As lockdowns loom across the land with the introduction of a three-tier system of restrictions based on local COVID-19 alert levels, at the highest alert level (tier 3) certain businesses will be forced to close, including pubs and bars (unless they serve substantial meals).

To support businesses that are legally required to close as a result of the restrictions, the Job Support Scheme announced as part of the UK Chancellor's Winter Economy Plan (reported by us <https://www.proskauertaxtalks.com/2020/09/uk-chancellor-announces-winter-economy-plan/>) is extended. Below are the key points:

- The government will pay two-thirds of each employees' salary up to a maximum of £2,100 a month.
- Employers will still have to pay employer national insurance contributions and pension contributions; however, they are otherwise not required to contribute towards wages but can top up employee pay if they wish to do so.
- For the extended support to be available, employees have to be off work for at least seven consecutive days.
- The extended scheme commences on 1 November and will last for six months (with a review in January).
- Payments to eligible businesses will be made in arrears via the HMRC claims service that is expected to be available at the beginning of December.
- The extended scheme will apply in England and each of the devolved regions and is available for businesses that were required to close before 1 November, including premises that are restricted to delivery or collection only services.
- Alongside the extended Job Support Scheme, the Local Restrictions Support Grant is being increased so that eligible businesses may now receive up to £3,000 per month (rather than up to £1,500 per three weeks) and businesses can now receive the grant after closure for two weeks (rather than the previous position of three). This grant supports businesses that are required to close due to local lockdown restrictions and that pay business rates on their premises.

As mentioned in our post on the Winter Economy Plan, the Job Support Scheme (including the extensions discussed above) only applies to jobs which are considered “viable” and will not be available if an employee is made redundant or put on notice of redundancy during the period the employer is claiming the grant for that employee.

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