



Safeguard your payroll against COVID-19

*and the (hidden) cons of the
Job Support Scheme*

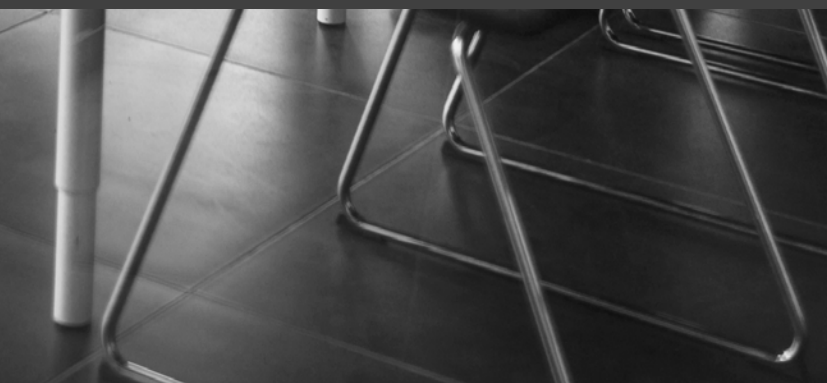
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The Job Support Scheme, which was due to start on 1 November 2020, has been postponed as the Coronavirus Job Retention Scheme is being extended until December. However, regardless of the government schemes in place, the winter months are likely to bring possible spells of redundancies and insolvencies for your client's business. The aim of the Job Support Scheme is to protect viable jobs, rather than attempting to support all employees, as with the Coronavirus Job Retention Scheme (CJRS). With the furlough safety net going at the end of November, and the Job Support Scheme starting in December, we examine what accountants can do to mitigate the damages for their clients.

In this guide, we look at what accountants must understand about the major shortcomings of the Job Support Scheme (and why clients will lose out). We also offer practical advice to ensure COVID-19 does not slow down your bureau's payroll processing and how you can respond quickly and effectively to avoid disruption in the future.



What is the new Job Support Scheme?

The Job Support Scheme is designed to protect viable jobs in businesses who are facing lower demand over the winter months due to **COVID-19**. It aims to help keep their employees attached to the workforce in a bid to prevent redundancies.

Unsurprisingly, there have been many changes to the scheme since it was first announced.

- Initially, employees were required to work at least 33% of their normal hours to be eligible for the Job Support Scheme, and employers were responsible for paying for the employees' hours worked.
- Under the scheme, employees were entitled to be paid for two-thirds of their unworked hours. This was to be divided evenly with the employer and the government both contributing to one-third of the employees unworked hours.

With these scheme rules, availing of the scheme was simply out of the question for most businesses, especially for the many employers who are having cashflow issues after a prolonged eight months of being impacted by the pandemic.

Updated Job Support Scheme Rules

An overhaul of the scheme rules was announced on 22 October, making the scheme much more attractive to employers across the UK.

- The scheme has been adjusted to reduce the employer contribution for the employees unworked hours from 33% to just 5%.
- The minimum hours required for employees to work was also lowered from 33% to 20%, so those working just one day a week will be eligible.
- Originally it was intended that the new Job Support Scheme would start in November however with the second lock-down in the UK starting, this has now been delayed to December.

Although these updated scheme rules make much more sense for employers trying to save their business in these trying times, there are still a number of shortfalls to the scheme that you need to be aware of to ensure you give your clients the best advice. Many businesses need to decide whether to avail of the Job Support Scheme or face the possibility of employee redundancies.

Pitfalls of the Job Support Scheme

- 1 | It's far less generous than the current Coronavirus Job Retention Scheme** - Although the cap on the Government contribution has increased from £697.92 to £1,541.75, it is still less generous than the CJRS, which was initially capped at £2,500 plus employer NIC and employer pension contributions.
- 2 | The employer ends up paying more in wages than the hours they get in return** - The percentage cost to the employer outweighs the percentage of productive hours provided by that employee to the business.
- 3 | Employees cannot be made redundant or put on notice of redundancy** during the period within which their employer is claiming the grant for that employee.
- 4 | Unlike the CJRS, the grant will not cover employer NICs or pension contributions**, but these contributions will remain payable by the employer.
- 5 | The scheme is not open to businesses over 250 employees** unless they can prove their turnover has fallen due to COVID-19.
- 6 | The employee must work at least 20% of their usual hours** and the employees must be paid their normal contracted wage for the time worked. Although this threshold has dropped from 33% to 20%, the Government have said that they will still review this after 3 months to decide whether to increase this minimum hours threshold.
- 7 | Short-time working arrangement must cover a minimum period of seven days.** However, Employees will be able to rotate on and off the scheme and they do not have to be working the same pattern each month.
- 8 | Increase in admin** - Employers must agree to the new short-time working arrangements with their staff, make any changes to the employment contract by agreement, and notify the employee in writing.
- 9 | Employers will be paid on a monthly basis** and grants can only be used as reimbursement for wage costs actually incurred.
- 10 | Grants will be payable in arrears commencing in December**, meaning that a claim can only be submitted in respect of a given pay period after payment to the employee has been made and that payment has been reported to HMRC via an RTI return.

For example, an employee normally works 5 days a week and earns £500 a week. The company suffers reduced sales due to coronavirus, and rather than making the employee redundant, the company decides to reduce the employee's hours to 1 day a week.

- The employee is paid £100 by their employer for the day that is worked (20% of usual hours).
- For the time not worked (80% of usual hours), the employee will also earn two-thirds of their normal pay, bringing the employee's total earnings to 73% of their normal wage.
- The employer is responsible for paying for 5% of the employees unworked hours (in this example £20).
- The Government will also contribute 61.67% of the hours not worked (£246.68), making up the employees' payment for two-thirds of unworked hours (£266.68).

Top tips to ensure COVID-19 does not slow down your bureau's payroll processing

Drawbacks of the Job Support Scheme:

As detailed above, the disadvantages of this scheme are significant and ultimately more costly. Make sure you communicate the drawbacks of the scheme to your clients to allow them to make an informed decision. Your clients will need to consider whether to avail of this scheme or make the difficult decision to make some or all their employees redundant.



Reduce Business Overheads:

As businesses look at creative ways to save jobs, many are moving to reduce their business overheads. Savvy bureaus have already saved thousands by opting for a payroll provider that does not have an additional charge for auto enrolment, CIS or customer support. A payroll provider that includes unlimited employees should be a given with any payroll package. BrightPay is one of the most **competitively priced payroll software** providers on the market with no contract ties applicable.

Working from Home Policy:

Most bureaus have successfully adopted a work from home policy. Your **payroll software** should easily facilitate remote working with additional user access. Check the costs of remote access or additional users with your payroll provider as these hidden costs can soon add up. Users can access BrightPay from 10 different locations which minimises any additional outgoings for your bureau.



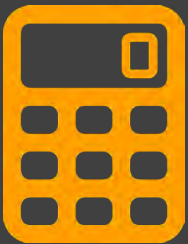
Achieving Business Continuity in the Cloud:

In the 'new normal', clients and employees expect to access their payroll information in the cloud. **Self-service online portals** are changing the way bureaus interact and communicate with their clients. Cloud access should facilitate the ability for clients to manage their employee's annual leave, submit employee hours to the payroll processor, approve the payroll run, access employee payslips, run payroll reports and distribute HR documents to their employees. BrightPay Connect, our cloud add-on offers all these things whilst providing the cloud functionality to get things done smarter and faster.



Quality and Speed of COVID-19 Updates:

The government schemes are changing every month and it is vital your payroll provider can cater for the schemes well in advance of the launch date. In a recent survey, BrightPay achieved 98.6% rating for our overall handling of COVID-19 including customer support, payroll upgrades, COVID-19 webinars and online support. [Learn more](#) about BrightPay's COVID-19 response plan.



Automation of Scheme Calculations:

COVID-19 calculations and corresponding claim reports are complex, and clients risk fines for incorrect claims. Your payroll provider should not only cater for the calculations but also automate the process as much as possible to reduce errors and potential fines. BrightPay includes the ability to assist users with calculations for both the Coronavirus Job Retention Scheme and the Job Support Scheme and Claim Reports to make it easier for the user when making a claim via HMRC.

Mandatory COVID-19 Employee Documents:

Rules in relation to informing employees about employment policies introduce changes to employment contracts. With the Job Support Scheme, employers must agree to the new short-time working arrangements with their staff, make any changes to the employment contract by agreement, and notify the employee in writing. This agreement must be made available to HMRC on request. Employers also need to send mandatory HR letters to employees, for example, a Return to Work Policy, a COVID-19 Safe Working Policy, and a COVID-19 Risk Assessment. BrightPay Connect allows users to upload contracts of employment and COVID-19 HR documents and also gives the employer or manager visibility as to when the employee views the document.



Continuity Planning & the Risk of Data Loss:

Most businesses are now working remotely for the foreseeable future which leaves many businesses exposed to data loss. Do you have safeguards in place to minimize business interruption and restore your organization to normal? One of the main advantages of having cloud access is that you can back up your client's payroll data instantly. BrightPay Connect will automatically backup your payroll data every 15 minutes, allowing you to restore your client data should the unforeseen happen.

Automate your Payroll Workflows:

A major bottleneck for many bureaus is requesting and receiving employee hours from their clients each pay period. This can result in numerous emails back and forth to clients and can typically result in errors being sent from clients. The current COVID-19 environment should be a catalyst to make the leap to automated payroll workflows that save time and reduce those errors. BrightPay Connect is designed with a **facility to request hours from clients**. Clients can upload a CSV file or manually enter their employees' hours including new starter details which then synchronises back to the payroll software on your desktop. From there, bureaus can finalise the payroll run for the client to approve.



Excellent Customer Support:

During COVID-19, a common frustration for accountants is poor customer support and long wait times, often resulting in customers not renewing with their payroll provider.

BrightPay's COVID-19 response plan involved additional staffing and increased hours to assist customers. Our dedicated team answered 74,000 support calls and responded to over 67,000 emails (March to September 2020); a 64% increase compared with 2019. An additional 122 hours of customer support overtime resulted in 97% of support emails being responded to within 24 hours.



Adapt Your Long-Term Business Strategy:

For many bureaus, the strategy is simple - stay in business with minimum job cuts. Once the initial impact of COVID-19 has been alleviated, it is going to take some time for the full repercussions to present themselves. It is wise for bureaus to take action by putting in place cost savings strategies that could see additional profits. Payroll market trends are taking a dramatic shift with payroll bureaus looking for more affordable solutions but also innovative products. BrightPay is a **multi-award-winning payroll software** that boasts a 99% customer satisfaction rating and 5-star review, costing in a range from £249 to £499 per tax year.



In summary

Payroll firms and accountants are being massively impacted by COVID-19 and are very much on the front-line assisting clients, often at no additional charge. It is crucial to understand where your vulnerabilities lie and how to mitigate any further potential impacts. Now is the time to plan and future proof your payroll bureau business for survival. Payroll bureaus must make the right changes and shift the way they operate to better achieve a long-term sustainable plan.

It is worth the time and money to invest in your people and even more so in automating your payroll processes. A resilient approach should involve managing people differently, streamlining manual processes and migrating to cloud portals. Making simple changes and investing in payroll solutions with integrated cloud access can save money, improve productivity and increase profits.

It is important to choose the right payroll provider that will ensure COVID-19 does not slow down your bureau's payroll processing. Research different payroll software systems and compare them against what you are currently using. Choose the right **payroll technology** that not only streamlines your payroll processes but supports your business continuity needs. Ask other providers what their customer satisfaction rating is, what are the hidden costs and how they have helped their customers through COVID-19.



For further information:

- [Join the BrightPay webinars to hear from payroll experts](#)
- [Visit the BrightPay COVID-19 Hub](#)
- [Government Fact Sheet: Job Support Scheme](#)

Your next steps:

1

Join our free webinars

Hear from the payroll experts on how the latest updates are impacting payroll and how you can best support your clients.

[Register Now](#)

2

Attend a free online demonstration of BrightPay

Discover more ways that BrightPay and BrightPay Connect can help your accountancy practice or payroll bureau come back stronger from this challenging time.

[Book a Payroll Demo](#)

3

Start a 60-day free trial of BrightPay

BrightPay's 60-day free trial is a great way for you to discover just how easy BrightPay is to use without having to make any commitment.

[Download Now](#)

"Complex CJRS claims, 4 weekly pay periods crossing into July, the beginning of flexible furloughing. We could be in the middle of a logistical nightmare, but thanks to @BrightPayUK our lives have been made considerably easier."

Lucy Stupples @autumn_cottage – Twitter

"BrightPay have made it easy for us during this difficult time. They have kept us up to date on their information hub on all matter COVID-19 related, with free webinars on CJRS matters and other resources."

Linda Nicholls – Trustpilot

"We have worked around the clock since COVID disrupted life as we know it to support our clients. However, it would have been a lot harder to provide that support if we didn't use BrightPay. Well done team @BrightPayUK."

Investment Bookkeeping @InBookkeeping – Twitter

Payroll Software You Can Trust...



Payroll Software of
the Year 2018 & 2019



Trusted by over
250,000 Businesses



99% Satisfaction Rate
& 5-Star Rating



+25 Years' Experience
Developing Payroll



Payroll Software



Winner of Payroll of the Year
2018 & 2019



Servicing 250,000 Businesses



Accounts Journal APIs:
Sage One, Xero, Quickbooks & more



COVID-19 Payroll Calculation



Remote Access Included



99% Satisfaction Rate & 5-star Rating



Cloud Add On



Bureau & Client Dashboard



Automatic Cloud Backup



Upload Employee Hours



Approve Payroll Run



Payroll Audit Trail



Leave Management Tool



Employee Self-Service App



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