



## **Back to Work**

### **Employment Grant Scheme – Employers Guide**

*“Our most urgent priorities are to get unemployed Islanders working, keep people in work and create new employment opportunities and jobs through sustainable economic growth”*

*Strategic Plan 2012*

## **Introduction**

The Employment Grant Scheme is designed to encourage and support employers in recruiting the long-term unemployed through the payment of a financial incentive.

The key aims of the scheme are to:

- Reduce the number of locally qualified people who are registered as long-term unemployed.
- Encourage employers to take on the locally qualified, long-term unemployed into permanent employment.
- Support access to employment and upgrade the skills of those furthest away from the labour market.
- Provide employers with the support to train people who have been long-term unemployed while in employment.

## **How the Employment Grant works**

A total sum of £7,200 will be paid to employers who recruit a locally qualified individual who has been registered as Actively Seeking Work (ASW) for 12 months or more into a permanent or long-term contract job and retain them for at least 12 months in continuous employment.

- A maximum of £7,200 payable to employers per employee.
- The Employment Grant is applicable for the first year of employment in permanent or long-term contract (12 months+) roles.
- Zero hours or temporary contracts are acceptable for the first three months of employment but payment will only be authorised once the contract is converted to become permanent or long term.
- The value of the Employment Grant is based on the number of contracted hours with the employee and not the hourly rate paid to the employee.
- £7,200 will be pro-rata for part time roles under 40 hours (minimum 8 hours per week).
- Three interim payments of £1,000 can be claimed after 13, 26 and 39 weeks. The remainder (£4,200) is paid after 12 months continuous employment. Interim payments are also pro-rata for part time roles.

<b>Employment Grant examples</b>	<b>Working for a contracted 40 hours per week</b>	<b>Working for a contracted 20 hours per week</b>
<b>Interim payments</b>	£1,000 after 13, 26 and 39 weeks	£500 after 13, 26 and 39 weeks
<b>Final Payment</b>	£4,200 after 12 months	£2,100 after 12 months
<b>Total</b>	£7,200	£3,600

## **Qualifying employers**

The Employment Grant Scheme is open to any employer operating in Jersey and registered under the Regulations of Undertakings Law. This includes businesses, States-owned utility companies, charities and not-for-profit organisations. The States of Jersey is excluded.

### **Qualifying candidates**

Employers will source candidates through the Back to Work team based at the Social Security Department, which can be contacted on 447411 or at [backtowork@gov.je](mailto:backtowork@gov.je). Eligible candidates are:

- Locally qualified for work i.e. 5 years continuous residence, and
- Registered with Social Security as ASW for least 12 months.

### **Excluded candidates**

Any person who is either not locally qualified to work or has not been registered as actively seeking work for 12 months or more is excluded from the scheme.

Non-EU nationals whose visa does not allow them recourse to public funds are excluded.

### **Qualifying contracts of work**

- Permanent contracts.
- Fixed term contracts of at least 12 months.
- An initial three month period of zero hours or temporary contract (with the intention to convert to permanent or long term employment at the end of that period).
- Contracts should be for at least 8 hours paid employment per week.
- Roles paid at the Trainee Rate (under the Employment Law) are included subject to the employer meeting the conditions which permit the payment of the Trainee Rate.

### **Excluded contracts of work**

- Any role which is paid below the Minimum Wage (with the exception of the Trainee Rate).
- Fixed term contracts of less than 12 months.
- Zero hour contracts (except for the first three months).
- Temporary contracts (except for the first three months).
- Any job paid with an offset for accommodation and/or food.
- Sub-contracted work from a self-employed contractor.
- Any role which is already subject to grant aid or subsidy from another States of Jersey scheme.

### **Additional support**

#### **Law At Work HR advice**

- Employers with five employees or fewer will be entitled to 3 hours of free advice from an expert HR provider, currently Law At Work (LAW). The advice is intended to help smaller employers understand and meet the basic obligations expected of an employer and covers:
  - 1 hour of general advice on employment law: types of contracts, minimum rest periods and leave, minimum wage, termination, unfair and constructive unfair dismissal.
  - 1 hour of audit to understand their business and expectation so that we can create statement of employment terms, for example, understand sickness standards and a holiday year.
  - 1 hour to create a statement of initial terms of employment as required by the Employment (Jersey) Law 2003, as amended, which will include some specific

clauses depending upon the business type and a schedule which will detail that particular clients' disciplinary and grievance policy (which the company will draft if they do not have one).

- Additional clauses or policies would normally fall outside of the 3 hours and would be covered at the employer's own cost.

### **Training**

- Back to Work can fund short-term vocational training needed for the candidate to fulfil their role. This could include things like, first aid, forklift or IT training. Back to Work will discuss specific training needs with employers.
- The training supplier will be paid directly and bookings organised in liaison with the department. The final decision on the provision of funds will lie with Back to Work in all cases.

### **Equipment**

- In cases where cost is causing a barrier to a candidate's employment, Back to Work is able to help cover the cost of essential equipment needed to fulfil their role, such as work boots or chef's whites. This fund will not cover any capital outlay for equipment needed for the day-to-day running of an employer's business, such as computer equipment.
- The final decision on the provision of funds will lie with Back to Work in all cases.

### **Additional types of pay**

The Employment Grant Scheme is based on the number of contracted hours with the employee.

Additional payments such as overtime, bonuses, commission, benefits in kind (e.g. car, uniforms etc) do not affect the amount of the Employment Grant payable to the employer. These additional payments can therefore still be paid to the employee.

### **Pro rata payments for part-time roles**

- Payments will be pro rata for part-time roles under 40 hours (minimum 8 hours per week). This includes interim payments made.
- Example: For a part time role of 25 hours per week an employer could claim up to  $25/40 \times £7,200 = £4,500$  in total, subject to 12 months continuous employment.

### **Outline process**

- Employer contacts Back to Work with a vacancy and to source potential candidates.
- Back to Work team provides details of qualifying candidates who are best matched to the vacancy.
- Employer shortlists and selects candidates for interview.
- Back to Work provides the support necessary to prepare candidates for the selection process.
- Employer selects candidate.
- Back to Work team delivers appropriate training prior to employment.
- Employer issues a contract to the successful candidate or a three-month trial on zero hour or temporary contract and the candidate is employed.

- Employer submits application form with evidence of signed contract once a permanent contract is issued.
- Back to Work team confirm allocation of the grant.
- Back to Work maintains contact with both the employer and employee to support candidates as required during the first year.
- Employer claims payments submitting claim form with required evidence.

### **Legal position of employer**

The person in respect of whom the grant is payable will be an employee of the employer hoping to receive the grant. The employer will recruit candidates in accordance with their normal contract and terms and conditions. Normal probation and notice periods will apply and the employee will have statutory rights and responsibilities under the Employment (Jersey) Law 2003.

### **Claiming payments**

Employers can claim interim payments after 13, 26 and 39 weeks employment have been completed. Employers do not have to claim interim payments and can claim any remaining amounts at the end of the 12 months employment. This final payment can include any interim payments not claimed to date.

Any claim will need to be supported with evidence that the individual has continued to be paid in accordance with their contract. The payment claim form is available from the Back to Work team.

Grant payments will be made by BACS directly to the company or organisation's bank account within 28 days of receiving a claim form with complete evidence of employment.

### **Employee sickness absence or unpaid leave**

The employer will recruit candidates in accordance with their normal contract and terms and conditions. Should the employer not pay the employee for a period e.g. unpaid leave or sickness absence, then the employer will not be able to claim a payment for this period.

### **If employment ends before 12 months**

It is intended that employees hired under the scheme will be successfully retained for 12 months continuous employment. However, should issues arise, support will be available to employers through the Back to Work team to help the employee overcome any issues. Employers should contact the Back to Work team as soon as an issue arises.

In circumstances where employment cannot be sustained then the employer may still be able to claim a payment under the Employment Grant Scheme.

Example scenarios are provided in the table below:

Scenarios	Time employed	
	26 weeks or before	After 26 weeks
Employee resigns	Employer can claim a pro rata payment (based on the £1,000 per quarter payments) for each	Employer can claim a pro rata payment (based on the £7,200 per annum payments) for each week

	week of employment completed. This will be less any payments already claimed (see example 1 below).	of employment completed. This will be less any payments already claimed (see example 2 below).
Employee is dismissed (eg for misconduct or lack of capability)	Employer can claim a pro rata payment (based on the £1,000 per quarter payments) for each week of employment completed. This will be less any payments already claimed (see example 1 below).	Employer can claim a pro rata payment (based on the £7,200 per annum payments) for each week of employment completed. This will be less any payments already claimed (see example 2 below).
Employee made redundant	No payments are claimable. Any interim payments already paid will not be recovered.	
Employee deceased	Employer can claim a pro rata payment (based on the £7,200 per annum payments) for each week of employment completed. This will be less any payments already claimed (see example 2 below).	

### Example 1:

Andrew is recruited into a 36 hours per week permanent contract. After 20 weeks Andrew resigns. As this is before 26 weeks employment have been completed the employer can claim a payment at the rate of £1,000 per quarter for each week of employment completed. The employer had already claimed an interim payment after 13 weeks for £900 (based on 36 hours per week).

*A = number of weeks worked (which in this example is 20)*

*B = number of hours per week contracted (which in this example is 36)*

Calculation:

Claim payable = £1,000 x (A/13) x (B/40) less any payments already claimed.

A= 20

B= 36

Claim payable =£1,000 x (20/13) x (36/40)  
=£1,384.62 less £900 already claimed after week 13  
**=£484.62**

### Example 2:

Billy is recruited into a 38 hours per week permanent contract. After 40 weeks Billy resigns. As this is after 26 weeks the employer can claim a payment at the rate of £7,200 per annum for each week of employment completed. The employer had already claimed interim payments of £950 after 13 and 26 and 39 weeks (based on 38 hours per week).

*A = number of weeks worked (which in this example is 40)*

*B = number of hours per week contracted (which in this example is 38)*

Calculation:

Claim payable = £7,200 x (A/52) x (B/40) less any payments already claimed.

A = 40

B = 38

Claim payable = £7,200x(40/52)x(38/40)  
=£5,261.54 less (£950x3) already claimed at weeks 13,26 and 39  
**=£2,411.54**

### **Legal Position of Scheme**

This is a non-statutory scheme. As such the terms of the Employment Grant Scheme can be amended or withdrawn without notice at the discretion of the Minister for Social Security.

It is very much hoped that employers will use the Employment Grant Scheme as intended. In particular, it is expected that employers will act in good faith and not release existing staff with the intention of replacing them with new employees under the Employment Grant scheme.

The Minister therefore reserves the right to:

- Restrict or refuse specific employers from access to this or future schemes.
- With-hold or cancel interim or final payments to specific employers.
- Request additional evidence from the employer.
- Request evidence from the employee.
- Recover grant payments incorrectly claimed.
- Use Social Security contributions data and benefit data to verify claims made under the scheme.

Additionally, circumstances may arise where an employer claiming a payment under the scheme is being pursued for monies owed to the Department. Should this situation arise the Minister reserves the right to:

- Offset grant payments against any monies owed to the department.

As a non-statutory scheme the decision of the Minister of Social Security is final.