

Letter explaining Job Retention Scheme and furlough (please amend to suit your requirements)

[Insert name]

[Insert address]

[Insert date]

Dear [insert name]

I write further to our discussion on [insert date] in respect of the current coronavirus outbreak, and the challenges we face as a consequence in continuing to provide you with work for the foreseeable future.

During our discussion, I set out the impact that the current situation is having on our business, which is [insert details explaining the need to use furlough e.g. that, as a business in the xxxx sector, the Government has enforced our closure as part of its social distancing measures].

We are therefore unable to offer [delete/amend as appropriate – work to any of our employees for the time being/work of the kind that you are employed to perform for the time being, and we have been unable to identify any other role in the business which you would be in a position to undertake].

In order to help avoid significant large scale redundancies across the country from those businesses directly affected by this measure, on Friday 20 March 2020 the Government announced that it was setting up a new Coronavirus Job Retention Scheme (the Scheme) to help businesses.

So as to prevent the potential redundancies that would have arisen from the position we are currently in, we are applying to join the Scheme, which will entitle us to receive a grant to cover up to 80% of our employees' wage costs for as long as we remain in the Scheme, up to a total of £2,500 per month per employee. The Scheme is initially expected to be in operation for three months, but it may very well be extended.

The Scheme requires us to designate affected employees as 'furloughed workers', and we intend to do this for (delete/amend as appropriate – all of our employees/all employees in the [insert details] department/other]. We must then pass this information to HMRC and will be able to receive a grant to cover your wages to the extent set out above.

[Select from the paragraphs below and delete as appropriate]

Further to our discussion, we have agreed that you will be designated as a 'furloughed worker' from [insert date] which means that your status as an employee has temporarily

changed. You will now be a 'furloughed worker' for as long as we are unable to provide you with work and are enrolled on the Scheme. You will continue to receive 100% of your wage whilst you are a furloughed worker and you will not be able to do any work whilst you are furloughed.

[OR]

Further to our discussion, we have agreed that you will be designated as a 'furloughed worker' from [insert date] which means that your status as an employee has temporarily changed. You will now be a 'furloughed worker' for as long as we are unable to provide you with work and are enrolled on the Scheme. You have also agreed to a reduction in your wage to 80 per cent of your basic wage, capped at £2,500 per month, whilst you are a furloughed worker and you will not be able to do any work whilst you are furloughed.

If you do not agree with the above, please contact me directly as a matter of urgency, however you should note the alternative may be redundancy or unpaid leave.

We will keep your status as a 'furloughed worker' under continuous review and in the event that the position changes, you will be notified. At the present time I do not know when this will be, but I can assure you that the Company will continue to monitor the evolving situation very carefully. The remaining terms and conditions such as holiday accrual and continuity of service will not be affected during this period.

We are doing everything we possibly can to ensure we are able to survive the challenges we are facing. We appreciate that this is a difficult period for everyone and I would like to thank you for your continued loyalty to the business.

If you have any queries regarding the contents of this letter, please do not hesitate to contact me on [insert details] otherwise please sign a copy of this letter to indicate your acceptance.

Yours sincerely

[Insert name]
[Insert job title]

Acceptance of furlough

I understand and agree that my employment status will be changed to that of a furloughed member of staff.

I further understand that I will receive 80% of my pay or up to £2,500, (whichever is lower) through the Government Coronavirus Job Retention Scheme and the Company will keep me regularly updated with any changes that might further occur.

Print Name:

Signature:

Disclaimer: While everything has been done to ensure the accuracy of the contents of this at the time of publication, it is a general guide only. It is not comprehensive and does not constitute specific HR advice. Specific HR advice should be sought in relation to the particular facts of a given situation and please refer to Government website for the most up to date information.