[date]

[state how delivered: e.g. By Hand or 1st Class and Registered Post]

PRIVATE & CONFIDENTIAL

[name/address]

Dear [name]

**Re: Furlough**

This letter is to inform you that, as agreed with you on [date], your current position with [company name] is being “furloughed” effective from [date/immediately] and until further notice. Furlough is a temporary period of leave to help us deal with the fact that [there is [no/less] work available for employees at this time OR due to your circumstances, you are entitled to be furloughed] due to the current COVID-19 situation. [You have also agreed that if our claim for monies under the Coronavirus Job Retention Scheme (CJRS) is rejected, some details of which are below, that you will be laid-off if we continue to be unable to provide you with work because of this crisis.] [Your agreement to this, for which we are very grateful, helps us greatly in our attempt to save as many jobs as possible during this very difficult time for everyone.]

You will remain employed during the furlough period and your usual contractual terms will apply, except as varied in this letter.

Therefore, with effect from [date], you are not required to attend work until we contact you to tell you that you are required to return to work. You must remain available for work during this time so that we can bring you back in immediately as the situation changes.

We will be applying to HMRC to claim funding to pay you furlough pay via the CJRS. The scheme is set to last for at least three months from 1 March 2020 but will be extended if necessary. Further, the government has indicated that applications for the scheme will need to be made via a new HMRC portal, which [is due to open OR opened] on 20 April 2020.

If, once we are able to make the application via HMRC’s new portal, this application is accepted, you will receive 80% of your monthly wage, subject to a cap of £2,500 per month and conditions as to what payments are included in that sum, for the period of furlough during which the CJRS applies and provided that you remain on furlough. Based on the government guidance we have at this time, for full-time and part-time salaried employees, monthly pay will be your actual salary before tax, for the last pay period before 19 March 2020. For those whose pay varies, monthly pay will be based on the higher of either the amount you earned in the same month last year or an average of your monthly earnings from the last year. If you’ve been employed for less than a year, an average of your monthly earnings since you started work will be used. Again, this is subject to conditions as to what payments are included in that sum. The payment will be subject to Income Tax, National Insurance and any other deductions from your wage. This letter does not create any legal obligation to pay more than HMRC will pay under the scheme.

While you are on furlough leave, we will pay you 80% of your wage, using HMRC’s calculation, for the period of furlough during which the CJRS applies and if you remain on furlough, or until HMRC rejects our application. The monies we receive from HMRC for the period we make these payments will be used to reimburse the company – you will not be paid this money twice. If, following the acceptance of our application, HMRC’s payments turn out to be more than what we have paid to you, then we will pay to you the difference between what we have paid to you and what we receive from HMRC for the period we have made these payments. [Likewise, if we are successful in our claim under the scheme but the amount paid by HMRC is lower than the amount that we have paid to you, or if HMRC rejects our application and pay to us no money under the scheme, we will treat payments made to you while on furlough as an overpayment of wages, which will be subject to recovery by us in accordance with your Contract of Employment.]

**OPTION 1 – NO CONTRACTUAL RIGHT TO LAY-OFF BUT HAVE AGREED TO FURLOUGH AND LAY-OFF IF FURLOUGH PAY ENDS:** If our application is not accepted, as agreed with you, you will revert to being laid off and will only be entitled to statutory guarantee pay for the days when you would normally be required to work [from the date the application was rejected OR from the date you were furloughed]. Statutory guarantee pay is up to a maximum of £29 per day before 6 April 2020 and £30 on and after 6 April 2020 (or your normal daily rate if less) and is only payable for a maximum of five days in any 13-week period. Equally, if your entitlement to furlough pay ends for any reason, we will need to check the position, but based on our current understanding, under your lay-off clause, you would revert to statutory guarantee pay or, if that has been exhausted, no pay. We will discuss this with you should the need arise.

**OPTION 2 – NO CONTRACTUAL RIGHT TO LAY-OFF AND HAVE AGREED TO FURLOUGH BUT NOT AGREED LAY-OFF IF FURLOUGH PAY ENDS:** If our application is not accepted, or if entitlement to furlough pay ends for any reason, we will discuss our options with you further. [In these circumstances, as per our agreement, the time from agreeing to furlough leave to the point of HMRC rejecting our application will be unpaid, save for any right you have to a guarantee payment.]

We will contact you again when we know whether we have been able to secure the funding to pay you the 80% furlough pay.

We shall attempt to keep this period of furlough as short as possible. We will continue to seek appropriate work for you and will notify you as soon as possible when work becomes available. In this respect, please ensure that you have provided [me/your manager] with your current contact details to avoid any delay in us contacting you. For example, it is important to ensure that you have provided:

* A working email address;
* Your landline telephone number;
* Your mobile telephone number;
* Your home address; and
* If you temporarily leave to self-isolate for example, your temporary address (and update us when you return to your permanent/normal address).

It is also important that you keep us updated as to whether you have been advised to self-isolate or are ill since this may affect your entitlement to furlough pay.

For speed and efficiency (and to avoid unnecessary burden on the postal service), our intention is to communicate with all staff via the emails that they provide. If you do not have an email address or there are reasons why this is not a suitable form of communication for you, please let [who] know. We will only use alternative means of communication where it becomes necessary.

Finally, for our records and for the purposes of making the claim, it is necessary to record your agreement to the contents of this letter. Therefore, to ensure we are able to claim payments under the CJRS for you, please could you confirm by your agreement by either replying to this letter by email with the below wording or signing a copy of this letter and returning it to [name] at [address].

If you have any queries during this period, please contact [who]. In particular, if there is anything in this letter with which you do not agree, please let us know immediately.

Your co-operation during this difficult period is greatly appreciated.

Yours sincerely

I confirm that I have read and understood the terms of the letter dated [date of this letter]. I confirm that I [have agreed OR agree] to the temporary variation of my terms and conditions of employment to place me on furlough leave on [date] [and the provisions regarding lay-off] as described in the letter from the company dated [date of this letter].

NAME – [Insert name]

DATE – [Insert date]