

Coronavirus Job Retention Scheme

Furlough Letters Guidance

An employee Furlough refers to a temporary leave or modification of normal working hours for a specific amount of time. It's a leave of absence given to an employee with the promise that they will still have their job once the leave is over.

There are numerous reasons why employers implement a Furlough employee policy, such as plant shutdowns, seasonal work, company reorganisations, and perhaps more appropriately, reduced demand due to COVID-19.

Don't rush into implementing an employee Furlough policy, and if necessary, we recommend speaking with a Solicitor or HR specialist first.

If you decide that putting employees on Furlough is the best option for you and your employees, then you need to prepare a notification letter. Your Furlough notice letter should include the following:

- Address – This is a formal letter, a Furlough notice should clearly state the date, employee's name, and their address.
- Purpose – State the purpose of the letter. Get straight to the point. Include the employee's position, department, reason for the Furlough, and information about any changes to employee benefits. It is advisable to tell the employee that this action does not reflect dissatisfaction in job performance.
- Detail – Explain what a Furlough is, determine the length of the Furlough, and communicate employee benefits during this period to employees.
- Future communication – Offer a way for the employee to keep in touch. End the letter on a positive note.

The letter should be to an employee's address or email. Ideally you should discuss and record an employee(s) agreement to be Furloughed before you send this letter.