

Suggested Letter (for guidance only) confirming agreement to temporary furlough

Instructions or options to add or delete details are in *[square brackets]*

Dear [name of employee]

As discussed with *[name of manager]* on *[date when furlough was discussed with employee]*, due to the Covid-19 pandemic you are being placed 'on furlough'. By taking this action, we hope to keep the business going and if possible avoid redundancies until matters get back to normal.

Furlough is short-term paid temporary leave, during which time you will still be employed by *[name of the company]* *[although at a lower rate of pay]* but you will not do any work for us during the furlough period. We can then use the Government's Coronavirus Job Retention Scheme, which covers 80% of your normal pay up to a maximum of £2,500 per month.

If you agree to be placed on furlough, your usual terms and conditions of employment will be temporarily varied. You will need to sign to confirm your agreement to the variation as detailed below. The terms of Furlough may be changed or terminated at the sole discretion of the Company and unless we agree otherwise, the temporary variation of terms will come to an end on the date when you return to normal work.

Your period of furlough *[will begin]* OR *[began]* on *[date]*. The length of the Furlough is currently unknown but it will last for at least three weeks and may last up to three months. We will keep the situation under review and the three months may need to be extended, if so we will discuss this with you. As soon as we think we can get you back to work as normal, we will give you notice and will expect you to return to work immediately unless agreed otherwise.

To summarise, this is how furlough will work:

1. Based on your *[monthly/weekly]* *[wage/salary]*, while on furlough we will pay you *[amount per week/month]*.

This amounts to *[80%/the maximum amount that can be claimed under the Job Retention Scheme]* *[if you are topping up pay provide relevant details here]* of your *[wage/salary]*.

This amount is subject to deductions for tax and national insurance in the usual way.

2. In addition to that *[wage/salary]*, we will pay employer national insurance contributions and minimum automatic enrolment employer pension contributions on that *[wage/salary]*.
3. Your contract of employment will continue with *[name of employer]*, but the terms of the Job Retention Scheme require that you do not carry out any work for us during the furlough period.
4. While your statutory rights are unaffected by this variation to your employment, your contractual entitlements to pay and other financial benefits during the furlough period are limited to those in points 1 and 2 *[plus the following additional benefits, if any: please list]*.
5. You may carry out unpaid voluntary work during the furlough period.

We are sending two copies of this letter so that you can keep one for your records. If you agree to this temporary variation, please sign and date below and return a signed copy of the letter to [name]. If you are unable to post a signed copy at this time, please confirm by e-mail you agree to furlough as detailed above and return the signed letter as soon as you are able to do so.

[We/I] will keep you informed of any changes or developments, including if the government extends or ends this scheme.

Thank you for your contribution to the business and if *[I/we]* can help in any way, please do not hesitate to contact *[me or name of person to contact]*.

Yours sincerely

[name of employer]

I *[name of employee]* agree to the temporarily varied terms of furlough as set out in the above letter.

Signed: _____ Date: _____ [Employee/Worker]