
JOB RETENTION SCHEME

Flexible Furlough Letters Guidance

Updated 18 June 2020

PLEASE NOTE: THIS IS AN EXAMPLE ONLY AND SHOULD NOT BE RELIED UPON UNTIL YOU HAVE CONFIRMED CONTENTS WITH YOUR LAWYERS AND / OR HR SPECIALISTS

FLEXIBLE FURLOUGH LETTERS

An employee furlough refers to a temporary leave or modification of normal working hours for a specific amount of time. It is 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 reorganizations and reduced demand due to COVID-19.

From 1 July, employers can bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim CJRS grant for the hours not worked. From 1 August 2020, the level of grant will be reduced each month.

If you decide that putting employees on flexible furlough is the best option for you and your employees, then you need to prepare a notification letter. Your furlough notice letter should contain 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 flexible 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 flexible furlough is and if applicable talk employees through the time recording process and how they will be paid full rate for working and full / 80% (as applicable) for Furlough time.
- Future communication - Offer a way for the employee to report / discuss / talk about their role in the business. End the letter on a positive note.

EXAMPLE TEXT [NOTE: RUN THIS PAST YOUR LAWYER OR HR SPECIALIST]:

[Send to employee's address or email. Note you should discuss and record employee agreement to be furloughed and /or return to flexible working time before you send this letter.]

Dear [Employee name],

NI NUMBER AND / OR PAYROLL NUMBER

The purpose of this letter is to formally notify you that your position as [insert] on the [xxx department] is now being opened again as the lockdown has eased and the business has started to trade again. Your full furlough period will cease on the 30 June 2020 (as applicable).

To recap, a furlough is a short-term paid temporary leave of absence at full / 80% [as applicable] of current salary. The furlough period and provisions may be changed or terminated at the sole discretion of the Company, and does not create any employment contract, express or implied.

During the furlough period, your pension and other benefits will continue [IF APPLICABLE].

As discussed with you, we are introducing Flexible Furlough where you will return to work for an agreed amount of time and be furloughed for the remained of the working week / month (as applicable).

You have consented to return to work on flexible furlough.

Your first official day of work will be 1 July 2020 and your salary and benefits will continue at their previous level before Furlough for the time you are working and will be [80% or full salary] for the time on furlough.

You will be working the following hours/ days/ weeks (if known) per week / month or you have agreed to work flexibly, and we will agree working time together in advance.

The length of this arrangement is [insert future date or unknown currently].

We will provide regular information as the current Pandemic unfolds and when we return to normal working routines.

Thank you for your contributions to the business and if I can help in any way, please contact me.

Yours Sincerely,

[insert signature]