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## **Furlough and the Coronavirus Job Retention Scheme**

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# The Coronavirus Job Retention Scheme (CJRS): The basics



- Applies to all employers across the UK with a PAYE scheme
- Applies to any “employee” who was on the payroll at 28 February 2020
- Where the employee is furloughed (doing zero work) because of the Covid-19 crisis, HMRC will reimburse the employer for 80% of their gross wages from 1 March 2020
- Furlough leave can be taken in 3-week blocks
- Reimbursement is subject to a monthly cap of £2,500, plus employer’s NI and auto-enrolment pension contributions.

## What do employers need to do?

- Decide which employees are not required to work and need to be furloughed
- Agree the furlough with the employee
- Pay furloughed employees the lower of 80% of their normal monthly wage or £2,500 a month
- Apply for reimbursement from HMRC in due course
- Keep up communications with furloughed employees, but do not allow them to work



## POLL

**Do you envisage that your organisation will elect to top furloughed employees' salaries up to 100% of their normal pay?**

## Can employees be furloughed for only part of their working weeks?

### **Answer:**

No. An employee on furlough leave must do no work at all during the period of furlough, or the employer will not be able to claim reimbursement of their wages from HMRC. You should monitor this carefully and ensure employees are not working from home.

**How do you calculate 80% of monthly wages for employees whose pay varies from month to month, e.g. casual workers?**

**Answer:**

HMRC guidance is that the employer should use the higher of the employee's monthly wage from the same month last year, or their 12-monthly average earnings. If the employee has not been on the payroll for 12 months then this would be their average monthly earnings since they started.

## Does holiday continue to accrue during furlough leave?

### **Answer:**

Yes, just as it does for employees on maternity leave or long-term sickness absence. However, there does not seem to be any reason why employers cannot require furloughed employees to take holiday during their furlough leave.

## Can employees be furloughed without their consent?

### Answer:

Only if there is a “temporary lay-off” clause in their contract of employment or if the employer pays them 100% of their salary. Otherwise, consent is required but employers can take a risk-based approach to how much consultation they want to go through and whether to collect express signed consent or not.

## What happens if a furloughed employee develops Covid-19?

### Answer:

Staff need to tell you if they have symptoms of Covid-19, or if they are medically advised (including by NHS 111) to self-isolate for this reason or because someone in their household has symptoms. This is because they will then need to be put onto SSP instead of furlough pay while they are self-isolating. HMRC will reimburse SSP for 14 days for any employee who has an “isolation note” for Covid-19 purposes, which can be obtained from NHS 111 Online.

## How do you deal with disputes about which staff should be furloughed?

### Answer:

If you have several staff doing a similar role and only some of them are needed, you should try and go through an objective selection process. If you have low morale among those staff who are not furloughed, all you can do is communicate with them, reassure them and consider ways of incentivising them (such as through extra holiday or temporary salary increases).

# Your Questions



**Could we get any template letters to provide to members of staff to manage this process?**

**What is the likelihood of challenge from HMRC on HAs due to element of government funding received?**

**Grant funded posts cannot be furloughed – is that correct?**

# Your Questions



**In terms of timescales how quickly can we implement this?**

**What is the minimum period for furlough?**

**If furlough is beyond one month, does redundancy entitlement kick in?**

# Your Questions

**Will we be required to negotiate with furloughed workers through collective bargaining units if these are in place?**

**What form does consultation with members of staff need to take?**

**What notice would we need to end the furlough process with the individual member of staff?**

# Your Questions



**What advice is there about furloughing split groups of workers e.g. we want to retain some Estates staff to carry out fire alarm tests but furlough the rest of the team - how do we manage this from an equality perspective?**

**What documentation/ evidence is it wise for us to have in place when managing furloughed working?**

**Can furloughed employees get involved in community volunteering not related to their paid occupation but using our vehicles – such as delivering food or medicines?**



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Thank you

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