LETTER TO PLACE EMPLOYEE ON FULL FURLOUGH (NOVEMBER 2020 ONWARDS)

Sample Letter

This letter must be transferred to your own letterhead, removing the title and all references to Peninsula and with all optional and personalised information completed.

* Use the Furlough Navigator available in Bright to help you manage furlough in your organisation. Please speak with your Advice Consultant if you would like more information about this.
* The Job Retention Scheme is set to be in operation until the end of September 2021. It permits both full furlough and flexible furlough.
* This letter should be used to reach an agreement with the employee to go on full furlough i.e. to cease work in order for the employer to furlough them under the extended JRS.
* This letter should be used only after you have discussed furlough with the employee.
* Until the end of June 2021, the Scheme will continue to provide employers with a grant to cover 80% of wage costs, to a maximum of £2,500 per employee per month. For July 2021 claims, the grant will reduce to 70% and for August and September 2021, it will reduce to 60%. The employee must still receive 80% to a maximum of £2,500 for hours not worked therefore you must pay the difference from July 2021.
* You are not required to make up wage costs to 100%. Whether you choose to or not, this should be set out in the letter and forms part of the agreement to furlough.
* Designating an employee as a furloughed worker and reducing pay without obtaining agreement from the employee may give rise to a claim of breach of contract or constructive dismissal. However, with redundancy as the likely result of their refusal to agree, it is not anticipated that an employee will withhold agreement.
* You should ensure that your position on pay is covered in the letter by including, amending or deleting the relevant clause.
* Our Peninsula Face2Face service consists of a team of advocates equipped to conduct, or support and assist you to conduct, any face to face meeting you are undertaking with your staff. For further information please speak to your HR Expert.

Need Further Advice?

**T: 0844 892 2772 E: advice@peninsula-uk.com W: peninsula-uk.com**

**(Date)**

Dear [Subject]

I write further to our discussion on (***insert date****)* in respect of the current coronavirus outbreak, and the challenges we face as a consequence in continuing to provide you with work for the foreseeable future.

During our discussion, I set out the impact that coronavirus is having on our business, which is (***insert details explaining the need to use full furlough e.g. that, as a business in the hospitality sector, the Government has enforced our closure as part of its social distancing measures.***)

***(Include if appropriate)***

As you know, you were previously placed on furlough from (***insert dates****)*.

Due to the impact on our business, we are unable to offer**\*work to any of our employees for the time being/work of the kind that you are employed to perform for the time being, and we have been unable to identify any other role in the business which you would be in a position to undertake.**

In order to help avoid significant large scale redundancies across the country from those businesses directly affected by coronavirus, the Government set up the Coronavirus Job Retention Scheme (the Scheme) to help businesses.

Because of the impact on our business, we **\*are applying/have applied** to join the Scheme, which will enable us to recover a grant of up to 80% of our employees’ wage costs, to a total of up to £2,500 per month per employee, for as long this is provided by the Scheme.

The Scheme requires us to designate affected employees as ‘furloughed workers’, and we intend to do this for (***\*all of our employees/all employees in the (insert details) department/other***). We must then pass this information to HMRC and will be able to receive a grant to cover your wage to the extent set out above.

***EITHER***

During our discussion, you agreed to temporarily cease all work in order to be designated as a ‘furloughed worker’ from (***insert date***) which means that your status as an employee has temporarily changed. You will now be a ‘furloughed worker’ for as long as we are unable to provide you with work and are enrolled on the Scheme. You will continue to receive 100% of your wage whilst you are a furloughed worker. You must not undertake any work for the Company when on furlough.

***OR***

During our discussion, you agreed to cease all work in order to be designated as a ‘furloughed worker’ from (***insert date***) which means that your status as an employee has temporarily changed. You will now be a ‘furloughed worker’ for as long as we are unable to provide you with work and are enrolled on the Scheme. You also agreed to a reduction in your wage to 80% of your basic wage, capped at £2,500 per month, whilst you are a furloughed worker. You must not undertake any work for the Company when on furlough.

(***EITHER***)

We will keep your status as a ‘furloughed worker’ under continuous review and in the event that the position changes, you will be notified. We anticipate this arrangement will last for at least (***insert details***) but we will confirm the end date of your period of furlough when we are in a position to. I can assure you that the Company will continue to monitor the evolving situation very carefully. We reserve the right to end this period of furlough at any point if we are able to identify work for you to perform. Should this opportunity arise, you may revert to either your normal working hours or we may seek to agree flexible furlough with you which means working a reduced number of hours and being on furlough for the remainder of your normal hours. We will endeavour to provide you with at least (***insert***) notice of a return to work, however, this may not always be possible.

(***OR***)

You will be on furlough for (***insert duration***) which means your first day back at work will be (***insert date***). If there are any changes to this date, including both an extension to it or a shorter duration, we will inform you as soon as possible after we become aware of the need to adjust it.

I have enclosed two copies of this letter. Please confirm your written agreement to your temporary designation as a furloughed worker on the payment arrangements set out above by signing where indicated below and let me have one copy by return. If you are posting a copy, please send to (***insert details***).

We are doing everything we possibly can to ensure we are able to survive the challenges we are facing. We appreciate that this is a difficult period for everyone and I would like to thank you for your continued loyalty to the business.

(***Delete as appropriate***)

I would like to remind you that you have access to a confidential telephone counselling service if you would like to talk to a trained counsellor about any worries that you may be having about the impact of coronavirus, whether work related or not. You can access this by (***insert***).

If you have any queries regarding the contents of this letter, please do not hesitate to contact me on (***insert details***).

Yours sincerely

[Firstname] [LastName]

\*delete/amend as appropriate

**Employee signature………………………………**

**Date……………………………………………….**