LETTER TO AGREE FLEXIBLE 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 flexible furlough i.e. to work on a part-time basis and be on furlough for the remainder of their normal hours. You will need to pay the employees for the hours they work but you can still claim capped wage support from the Government’s Job Retention Scheme for the time spent not working.
* This letter should be used only after you have discussed flexible 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.The maximum amount you can claim under the Scheme for an employee on flexible furlough will be reduced on a pro-rata basis proportionate to the amount of time the employee is recorded as being on furlough during the flexible furlough period.
* You are not required to make up wages to 100%. Whether you choose to or not, this should be set out in the letter and forms part of the agreement to furlough.
* The letter provides two options to cover circumstances where the details of the part-time hours are known; and also where they are not known at this point but will be notified to in advance to the employee.
* 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.
* 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 flexible furlough***)

***(Include if appropriate)***

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

Due to the impact on our business, we are temporarily unable to provide work according to your normal working hours.

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. Under the Scheme, employees are permitted to work part-time and be designated as a ‘furloughed worker’ for the remainder of their working hours, 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 in this letter.

We ***\*are applying/have applied*** to join the Scheme, which will enable us to recover a grant to cover a portion of employees’ wage costs.

We would now like to provide you with part-time hours for a temporary period under the flexible furlough arrangement.

***EITHER***

During our discussion, you agreed to work the following part-time hours with effect from (***insert date***):

(***insert details***)

You will be recorded as being on furlough for the remainder of your normal working hours. You agree to cease all work for the Company outside of the hours set out above.

***OR***

During our discussion, you agreed to work part-time hours with effect from (***insert date***). We agreed that we would notify you of the hours you would be required to work on a week-by-week basis (\****but anticipate that in most weeks your working hours will adhere to the following pattern:***

***(insert details)****)*

You will be recorded as being on furlough for the remainder of your normal working hours. You agree to cease all work for the Company outside of the hours set out above.

You will receive full pay for the hours that you work. You agreed that, for the hours that you are on furlough, you will receive 80% of your wages to a maximum cap of £2,500 per month pro-rated down to reflect the hours for which you are actually furloughed.

For example, if your part-time hours are 4 days per week instead of your normal 5 days, you will receive full pay for ~~4~~ days per week. For the remaining “furloughed” hours (1 day or 20% of your normal hours), you will receive 80% of your wages to a maximum of £500 per month (20% of £2,500).

I have enclosed two copies of this letter. Please confirm your written agreement to these part-time hours under the flexible furlough scheme 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***).

(***EITHER***)

We will keep your flexible furlough status 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 flexible furlough when we are in a position to. I can assure you that the Company will continue to monitor the evolving situation very carefully.

(***OR***)

You will be on flexible furlough for (***insert duration***) which means your first day back on full time hours 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.

(***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 about the contents of this letter, please do not hesitate to contact me.

Yours Sincerely

[Firstname] [LastName]

***\*delete/amend as appropriate***

**Employee signature………………………………**

**Date……………………………………………….**