

Furlough and the Coronavirus Job Retention Scheme

Employers might need to put some or all of their employees on temporary leave ('furlough') during the coronavirus (COVID-19) pandemic.

Furlough is where an employee or worker agrees with their employer to stop work temporarily but stay employed. Furlough must be agreed in writing.

From 1 July 2020, a furloughed employee or worker can agree with their employer to be put on 'flexible furlough'. This means they can work some of their usual hours and be put on furlough for the hours they do not work.

This can be a difficult time for both employers and staff. It's a good idea to make sure staff have a way to communicate with the employer and other people they work with.

Who can be furloughed

Any of the following can be put on furlough, whether they work full time or part time:

- employees
- workers
- agency workers
- those on zero-hours contracts
- apprentices

Employers can also furlough those who are temporarily unable to work because:

- they've been advised to stay at home by their doctor because of an underlying health condition
- someone in their household has been advised to stay at home by their doctor
- they have childcare responsibilities
- they're caring for a vulnerable person in their household

From 1 July 2020, a furloughed employee or worker can agree with their employer to be put on 'flexible furlough'. This means they can work some of their usual hours and be put on furlough for the hours they do not work.

An employer can make a flexible furlough claim through HMRC's Coronavirus Job Retention Scheme if they've already claimed before and the employee or worker was put on furlough:

- before 10 June 2020
- for a minimum of 3 weeks ending on or before 30 June 2020

Exceptions include if someone has been on maternity, paternity, adoption, shared parental or parental bereavement leave and is returning to work after 10 June 2020.

To find out more about claiming for flexible furlough, see:

- [advice for employers on GOV.UK](#)

- [advice for employees on GOV.UK](#)

2. Flexible furlough agreements

Any new furlough arrangements should be agreed between the employer, employee or worker and be put in writing.

Employers should:

- keep the agreement for 5 years
- keep a written record of how many hours someone works and how many hours they're furloughed (not working)

[Download a flexible furlough agreement template.](#)

Putting someone on furlough

Employers can only put someone on furlough for the first time if they've returned to work after 10 June 2020 from:

- maternity, paternity, adoption, shared parental or parental bereavement leave
- service as a military reservist

Employers must select people for furlough in a fair way to avoid any discrimination.

They should:

- get agreement in writing and be clear how much the employee or worker will get paid during their furlough
- keep furloughed workers on the employer's payroll and continue their employment contracts

If someone disagrees with their employer's decision about being selected for furlough or how much they'll get paid, they should talk to their employer and try to come to an agreement.

Furlough agreements

Any furlough agreements should be in writing. It's a good idea to include:

- the date furlough starts
- how much the furloughed worker will be paid
- when the furlough will be reviewed
- how to keep in contact during furlough

[Download a furlough agreement template.](#)

Extending furlough

Furlough can be extended by going through the process of putting someone on furlough again. Any agreement to extend should be put in writing.

[Download a furlough extension letter template.](#)

Ending furlough

Employers should regularly review furlough agreements to see if staff can be put on flexible furlough or return to work full time.

It can help employers to consider:

- which job roles and skills are needed in the workplace
- if all furloughed staff are needed back at the same time
- if any staff might be kept on furlough because they're temporarily unable to work, for example if they're caring for someone or are shielding

To end furlough, employers should give staff notice in writing.

There's no minimum notice period for furlough, but employers should:

- talk to staff about any plans to end furlough as early as possible
- encourage staff to raise any concerns or problems about returning to work

[Download a letter template to end furlough.](#)

Changing an employment contract

If an employer cannot reach an agreement with an employee or worker, they may decide they need to change the written terms in their contract.

If there are more than 20 people affected, employers will need to consult staff representatives ('collectively consult').

[Find out more about changing an employment contract.](#)

Related content

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[Podcast - managing the transition from furlough](#)

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Pay during furlough could be less than usual, if agreed between the employer and employee or worker.

The employer may be able to get financial support from HMRC's Coronavirus Job Retention Scheme. Employers can use this scheme to claim a percentage of each furloughed employee or worker's usual wages.

Flexible furlough must last for at least 7 days in a calendar month for an employer to make a claim.

Furlough scheme changes

Since 1 August 2020, employers need to pay any:

- employer contributions to the employee's pension
- employer National Insurance (NI) contributions

The amount employers can claim was reduced on 1 September. This will decrease again on 1 October.

But employers need to keep paying furloughed staff 80% of their usual wages up to £2,500 per month – or more if that's been agreed with the employee or worker.

[Find out more about claiming for wages through HMRC's Coronavirus Job Retention Scheme.](#)

Topping up wages to 100%

The employer should decide whether they'll top up furloughed employees' or workers' wages to 100%, but they do not have to. If the employer decides not to top up the wages, they should explain why.

Redundancy pay and notice pay

When calculating statutory redundancy pay or statutory notice pay for furloughed staff, the employer must use the employee's full normal pay, not their reduced rate due to furlough.

Find out more about:

- [pay during the notice period](#)
- [your redundancy rights and pay](#)
- [working out redundancy pay for employees](#)

Minimum wage during furlough

If furloughed staff are paid 80% of their wages, this might mean they get less than the minimum wage. This is allowed as long as they're not working.

But if someone does any work during furlough, including any training, they must get at least the current minimum wage for those hours.

In most cases furlough pay will cover minimum wage for any hours spent working. But if it's less, the employer must top it up.

[See the current minimum wage rates.](#)

If furloughed staff take paid family-related leave on or after 25 April 2020

Their usual, full pay must be used to work out if they're eligible for:

- Statutory Maternity Pay
- Statutory Paternity Pay
- Statutory Adoption Pay
- Statutory Shared Parental Pay
- Parental Bereavement Pay

If someone is paid less during furlough, it will not affect their entitlement to statutory pay.

Related content

[Coronavirus advice](#)

[Podcast - managing the transition from furlough](#)

[Claim for wages through HMRC's Coronavirus Job Retention Scheme on GOV.UK.](#)

For an employer to claim through the scheme, they must:

- have created and started a PAYE payroll scheme on or before 19 March 2020
- have previously put an employee or worker on furlough for at least 3 consecutive weeks between 1 March and 30 June 2020
- have [enrolled for PAYE Online](#)
- have a UK bank account
- be making a claim for each furloughed employee or worker for a minimum of 7 days in a calendar month

The furloughed employee or worker must have been on their PAYE payroll and included in a 'Real Time Information' (RTI) submission to HMRC on or before 19 March.

4. Changes to the furlough scheme

The government is making changes to the scheme. Employers will need to consider how this affects them.

Employers need to keep paying furloughed staff at least 80% of their usual wages up to £2,500 per month.

Recent changes that now apply:

- employers need to pay any employer National Insurance (NI) and pension contributions (since 1 August)
- the government pays 70% of wages capped at £2,187.50 (since 1 September)
- employers need to top up to 80% capped at £2,500 per month – or more if that's been agreed with the employee or worker

From 1 October:

- employers will continue paying any employer National Insurance (NI) and pension contributions
- the government's contribution to wages will go down to 60% capped at £1,875
- employers will need to top up to 80% capped at £2,500 – or more if that's been agreed with the employee or worker

The furlough scheme will close on 31 October 2020.

[Find out more about changes to the furlough scheme on GOV.UK.](#)

If someone was made redundant or left their job on or after 28 February 2020

An employer can decide to re-employ someone who was made redundant or stopped working for them on or after 28 February 2020, then put them on furlough.

This can be done even if the employer does not employ them again until after 19 March 2020.

The employee must have been:

- on the employer's PAYE payroll on 28 February
- included in a 'Real Time Information' (RTI) submission to HMRC on or before 28 February
- re-employed and put on furlough before 10 June 2020

If someone has more than one job

Each job is treated separately. This means they may be able to either:

- continue to work for their other job
- be furloughed for both jobs

If they're put on furlough for both jobs, they'll be eligible for financial support for each job.

More financial support for employers

If employers need short-term cash flow support, they may be eligible for a 'Coronavirus Business Interruption Loan'.

The Acas helpline is not able to advise on this scheme.

Find out more on GOV.UK about:

- [the Coronavirus Business Interruption Loan Scheme](#)
- [other financial support for businesses](#)

Financial support if you're self-employed

You may be able to get financial support through HMRC's 'Self-employment Income Support Scheme'.

The Acas helpline is not able to advise on this scheme.

[Find out more about the Self-employment Income Support Scheme on GOV.UK.](#)

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