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Pay during furlough

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.

Pay during furlough is taxable in the same way as someone's usual pay would be.

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

3. Furlough scheme changes

The furlough scheme has been extended until 30 April 2021.

From 1 November 2020 to 30 April 2021, employers can claim 80% of wages, capped at £2,500 each month.

Employers cannot include in their claim to HMRC any:

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

Employers will continue to pay 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.

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 furlough rate.

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 or doing work-related training.

If someone does work-related training while on furlough

The employer must top up their furlough pay for any hours spent in training if it amounts to less than National Minimum Wage.

See the current minimum wage rates.

Related content
Coronavirus advice
Podcast - managing the transition from furlough