

Draft furlough letter v2

Dear [name of employee/worker]

As discussed with [name of HR/manager] on [date when furlough was discussed with employee/worker], we will place you 'on furlough'.

This means that you will still be employed by us [although at a lower rate of pay]. You will not do any work for us during the furlough period. We can then use the Government's Coronavirus Job Retention Scheme, which covers 80% of your normal pay [for employees earning more than £2,500 per month, add 'up to a maximum of £2,500 per month'].

[In this way, we hope to keep the business going and avoid redundancies if possible until matters get back to normal.]

If you agree to be placed on furlough, your contract of employment will be temporarily varied. You will need to sign to confirm your agreement to the variation in the section at the end of this letter headed "confirmation of agreement" and return a copy to us. We are sending two copies of this letter so that you can keep one for your records. Unless we agree otherwise and unless your contract of employment is terminated by you or by us before that date, the temporary variation will come to an end on the date when you return to normal work.

Your period of furlough will begin on [date]. It will last for at least three weeks and may last up to three months. After three weeks, we will keep the situation under review. The three months may need to be extended and, if so, we will discuss this with you. As soon as we think we can get you back to work as normal, we will give you notice and will expect you to return to work immediately unless agreed otherwise.

Please confirm your contact details in the section at the bottom of this letter so that we can keep in touch.

To summarise, this is how furlough will work:

1. Based on your [monthly/weekly] [wage/salary], while on furlough we will pay you [amount per week].
This amounts to [80%/the maximum amount that can be claimed under the Job Retention Scheme/if you are topping up pay provide relevant details here] of your [wage/salary].
This amount is subject to deductions for tax and national insurance in the usual way.
2. In addition to that [wage/salary], we will pay employer national insurance contributions and minimum automatic enrolment employer pension contributions on that [wage/salary].
3. Your contract of employment will continue with [name of employer], but the terms of the Job Retention Scheme require that you do not do any work for us during the furlough period.
4. While your statutory rights are unaffected by this variation to your contract of employment, your contractual entitlements to pay and other financial benefits during the furlough period are limited to [[those in points 1 and 2] [plus the following additional benefits, if any: please list]].

If you agree to this temporary variation, please sign and date below and return a signed copy of the letter to [HR/Manager] by [insert date].

If you have any questions about your entitlement to annual leave or any other of your rights or entitlements during the period of furlough, please direct those questions to [HR/Manager].

Yours sincerely

[name of employer]

Confirmation of agreement

We agree that the contract of employment between [name of employee/worker and name of employer] will be temporarily varied and that [name of employee/worker] will be placed on furlough on the terms set out in this letter.

Signed: _____ Date: _____ (Employee/Worker)

Signed: _____ Date: _____ (Employer)

Employee/worker contact details:

Tel: _____

Email: _____

Address: _____