Template Furlough Letter

Dear (Employee)

As you know further to our discussions about this, unfortunately the business has been badly affected by the Coronavirus and as such, I’m afraid, we are unable to continue giving you work in the circumstances.

This is a variation to your contract of employment, designed to implement and take advantage of the government’s Coronavirus Job Retention Scheme and we believe you understand the reasons for this but do feel free to contact us with any queries. We know this is a very worrying time for all of us.

Following on from our conversation,

1. We agree that from [DATE] you shall be on Furlough Leave. This means your contract of employment continues, but you shall not be required to come into work. We will pay you [80%] / [80% subject to a maximum liability for us of £2,500 per month, including employer’s national insurance contributions and employer’s pension contributions] /[100%] of your salary during that time. \* *delete as appropriate.*

2. Your Furlough Leave shall end on the earliest of the following events:

(a) the government’s Coronavirus Job Retention Scheme ending

(b) either you or us ceasing to be eligible for funding under that scheme; or,

(c) us deciding to cancel Furlough Leave and bring you back to work.

3. During your Furlough Leave, you may not work for any other organisation, or on your own account. If you do, you must tell us, and you may be liable to repay any sums we have paid you under this scheme if we become liable to repay it to the Government.

We would not be doing this were it not necessary for the sake of the business and we hope you understand you are very much a valued employee. We have to deal with this in the way that we expect the government scheme to work, although the full details of it have not yet been released. We appreciate your understanding in these difficult circumstances and we are here if you have any questions.

If you would sign both copies of this and return one to us as soon as possible we would be most grateful.

Yours sincerely

Signed ……………………………………………………. Dated……………………….

Employer

Signed ……………………………………………………. Dated……………………….

Employee