

# Furlough Leave Essentials

## **BREAKING NEWS: Job Retention Scheme extended to 30 June 2020**

### Eligibility:

1. A furlough employee must be employed AND registered on the RTI /PAYROLL by 19th March.
2. The employee must be furloughed for at least 3 weeks at a time (multiple times permitted).
3. Furlough is as a result of circumstance arising from coronavirus or the disease itself.

### How to claim:

1. Claim through the online portal on GOV.UK website. This is launched on Monday 20 April 2020. For each furloughed worker you will need their name, NI number, claim period and the amount being claimed, and PAYE number.
2. It's up to you to calculate how much you claim for each furloughed employee. This includes gross earnings capped at £2,500 per month for 80% of salary, NI contributions and the employer statutory pension contribution.
3. With your authority, agents can make the claim on your behalf.
4. Claims will be paid within six working days.
5. Even if your claim is paid, HMRC may well audit your claims in the future.
6. You should retain all records, calculations and furlough contracts for five years.

### A few other things:

1. **To comply with the Job Retention Scheme and to avoid future dispute or ET claim, don't rely on email telling the employee they are furloughed. You may not be compliant with the scheme! Use a furlough contract. It's not too late to do this.**
2. The employer must instruct the employee not to do any work for you (or an associated company) **AND** the employee must agree in this writing.
3. A furloughed director cannot do work but can still carry out their statutory duties.
4. You don't have to top furloughed pay. The advice is you should preserve your cash.
5. If a furlough employee takes holiday, you must top up their pay to 100% (by 20%).
6. If a furlough employee defers holiday, they can spread the accrued leave over the next two holiday leave years to reduce pressure on the business.
7. If an employee is off sick, maternity, adoption, paternity, parental leave or parental bereavement leave, no claim for furlough pay can be made during this period of leave. Once they return to work from this leave, they can then be furloughed.
8. If you sacked someone before notification of the scheme, you can re-instate, place them on furlough leave and backdate their entitlement to their last working day.
9. You CAN serve notice during furlough leave... although take advice before doing so!