

Dear [NAME]

RE: Flexible Furlough Leave – Coronavirus Job Retention Scheme

We write following your furlough under the Coronavirus Job Retention Scheme (CJRS).

As we previously explained, the company had to place you on furlough as a result of the adverse impact of the coronavirus pandemic. Regrettably, the adverse circumstances related to the epidemic still prevail and the company business has not returned to normal.

At the same time the CJRS is modified from 1 July 2020. Employees who were put on furlough on or before 10 June 2020 and those employees returning to work after a long period of statutory family leave or period of mobilisation as a military reservist may be placed on furlough under the modified scheme ('flexible furlough').

Under the flexible furlough, employers may bring employees back to work for any amount of work hours and shift pattern, but less than hours usually worked, and still claim the CJRS grant for normal hours not worked.

In view of the continuing health, social and economic emergency caused by the coronavirus and its adverse impact, the company has decided to utilise the modified CJRS and put you on flexible furlough.

We have set out in this letter our current understanding of the changes we need to make to your contract of employment, taking into account the Treasury's direction published on 25 June 2020, so that your terms of employment are temporarily varied, the effect of which will be to place you on flexible furlough in implementation of the modified CJRS. However, we may need to make additional variations to your contract in the light of further clarification of the CJRS. Our ability to pay you during the furlough period will be dependent on our acceptance into the scheme.

The proposed changes to the terms of your employment are:

- The period from [DATE] up to and including 31 October 2020 will be the Flexible Furlough period. You will remain employed by the company but the terms of your employment will be modified as set out in this letter.
- The period of Flexible Furlough may be curtailed if the need arises.
- During the Flexible Furlough, you will work less hours than you do normally. Your hours of work in this period will be as follows:

[Set out the hours and days of work / shift pattern and how they will be notified]
'Furloughed Hours' will be the period of time in which you would usually work (calculated in accordance with the CRJS) but have been authorised not to work in accordance the terms set out in this letter.

We may make further changes to your hours of work during the Flexible Furlough, according to the needs of the company's business. This may include increase or decrease in your hours of work. We may also require you to cease work for us completely for a period of time so that all your usual hours of work will be

Furloughed Hours. We will write to you to confirm any significant variations to your hours of work or your work pattern.

- During Furloughed Hours the company shall be under no obligation to provide any work to you and revokes any powers you hold on our behalf.
- You agree not to do any work for us during Furloughed Hours. You will not attend your workplace and will not carry out any work for us or on our behalf. You should note that it is a condition of our eligibility for the CJRS that in Furloughed Hours employees do not provide any services or generate any revenue for the employer, or for any organisation linked or associated with the employer.
- For the Furloughed Hours, in lieu of your normal pay, your pay shall be reduced to 80% of your normal remuneration, subject to a maximum of £2,500 (gross) per month. Tax, National Insurance contributions and any other statutory deductions will be deducted in the usual way, and you will be paid in arrears on the dates as per your normal pay cycle directly into your bank or building society account.
- During Flexible Furlough for the hours of work which are not Furloughed Hours you will receive your normal pay.
- Your normal remuneration for calculation of your pay for Furloughed Hours is as defined by the CJRS provisions in force at the time of pay falling due in the relevant period.
- Subject to CJRS being amended, your normal remuneration covers amounts arising out of a legally enforceable agreement, understanding, scheme transaction or series of transactions. Such amounts include your basic wage, commission payments, overtime and other sums you may be so entitled to.
- You agree to waive any entitlement to further remuneration for the Furloughed Hours.
- If HMRC rejects our claim under the CJRS or decides not to fund your salary or any part of it for any reason during the Flexible Furlough, the company will be entitled not to pay you the amounts set out above in respect of the Furloughed Hours and any amounts paid to you shall be limited to the maximum amount which we are able to recoup from HMRC.
- If you are opted into automatic enrolment, your minimum employer pension contributions will be paid in the normal way, calculated with reference to the reduced pay you receive for the Furloughed Hours.
- You shall ensure that [NAME OF LINE MANAGER] has up-to-date contact details for you so that you may be contacted during Flexible Furlough.
- Throughout the Flexible Furlough, you remain bound by all terms of your employment save the variations listed here. Your statutory employment rights remain unaffected save where variations are permitted.
- To protect the company's business interests, you agree during Flexible Furlough not to do any work for any third party either as an employee or a worker, self-employed or a contractor, other than with the company's prior written permission. If you are in breach of this condition, the company may have to withhold your pay or pay you a reduced amount reflecting your breach.
- During your Furloughed Hours, you may undertake training for the company which is directly relevant to your employment and which the company will agree with you prior to the training being undertaken.

- Should you fall ill or need to self-isolate, you must notify the company as per the terms of your employment and the notified company procedure.
- Your period of Flexible Furlough will end when any of the following events occur:
 - you or the company cease to be eligible for funding under the CJRS;
 - the company gives you notice of one day that your employment will resume on the terms and conditions which applied immediately before your Flexible Furlough commenced, or on such terms and conditions as further amended to take account of the applicable circumstances; or
 - your employment is terminated for any reason.
- When your Flexible Furlough ends, in the event that there is still any disruption in provision of work and accordingly a diminution in the requirements of the business for work of a kind for which you are employed, or any other occurrence affecting the normal working of the business in relation to the work you are employed to do, the company reserves the right not to provide you with work without any pay except for statutory guarantee payments.
- You will continue to accrue holiday in the normal way while on Flexible Furlough and the normal rules as to taking of annual leave will continue to apply. Where the arrangements set out here or the effects of the coronavirus epidemic mean that it is not reasonably practicable for you to take all of your accrued holiday in the current leave year, you may take the portion of your leave not used for this reason in the two leave years immediately following the leave year in respect of which it was due.

[Insert this paragraph if you are proposing to put 20 or more employees on furlough leave:-
In view of the special circumstances of the coronavirus epidemic, the company believes that consultation with employees' representative under s.188 TULRCA 1992 may be dispensed with and will not be undertaken.]

You are required to observe strictly the health and safety measures the company has put in place in accordance with the official guidance to minimise the risk of coronavirus infection and spread of the disease.

If you agree to this temporary variation, please sign and date below and return a signed copy of the letter to the address stated above. Please keep a copy for your records. If you prefer to respond by email, then please include in your email the text of acceptance below and include a reference to this letter. The changes shall be immediately effective from the date of your acceptance.

If you require any clarification or have any views you wish to put forward, please contact [NAME] by [DETAILS].

Yours sincerely
[NAME] [JOB TITLE]

I agree that the terms of my employment shall be varied as set out in this letter with immediate effect. I confirm that I shall be treated as an employee on flexible furlough for

the purposes of the Coronavirus Job Retention Scheme for the period set out above.
Specifically, I declare that I will not undertake work for or on behalf of my employer during
Furloughed Hours as defined above.

Signed Name..... Date