

What is Furlough?

Furlough is a temporary leave of absence from work which can be due to economic conditions which affect the company - or the national economy more generally. Furlough is different to being laid off without pay or redundancy, as staff are kept on payroll.

How are employees affected?

When employees are on furlough, they must not do any work for their employer. This includes providing services for the employer linked or associated to the organisation, or generating any revenue.

Work:

It will be the employer's responsibility to ensure that there is a plan in place for any new or ongoing cases, and ensuring the organisation can cope with the amount of cases which need to be covered. It is also the employer's responsibility to notify clients as to who will be their main point of contact moving forward. If the terms of the furloughed employee's contract permits it, they may volunteer, participate in training, or take on new work for another employer during the furloughed period.

Coronavirus Job Retention Scheme:

For organisations who have been severely affected by COVID-19, the government has offered relief in the form of a Coronavirus Job Retention Scheme. The temporary scheme is in place for four months starting from 1st March 2020 (but may be extended if necessary). Employers can apply for a grant covering 80% of their usual monthly wage costs, paying up to £2,500 a month. The grant also covers National Insurance and Pension contributions (up to the level of the minimum automatic enrolment employer pension contribution) of the subsidised furlough pay.