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## All Branch/Station Reps – Briefing Note 05/20

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### COVID-19 – Furlough employees

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**Latest update – 16 April 2020**

#### Furloughed Employees (Job Retention Scheme)

In an effort to provide more clarity over the 'furloughing' of employees (Job Retention Scheme) the government provided a further update; this briefing note will need to be read in conjunction with briefing note 04/20.

The guidance provides the following clarifications:

- employees who were employed on 19 March 2020 (previously 28 February 2020) are eligible for furlough, provided the employer had submitted real time information payroll data by that date.
- the Scheme is not limited to those employees who would otherwise be made redundant. It applies to any who are furloughed "*by reason of circumstances as a result of coronavirus or coronavirus disease*".
- a director who is furloughed can only undertake work to fulfil a duty or other obligation arising from an Act of Parliament relating to the filing of company's accounts or provision of other information relating to the administration of the director's company.
- to claim furlough, the employer and employee must have agreed in writing that the employee will cease all work. This is significant; the guidance only required *notification*. The Direction from the Treasury requires *written agreement*.
- the amount of salary for the employee must disregard anything which is not "*regular salary or wages*". That includes disregarding any performance related bonus or discretionary payments (including tips), any conditional payments (e.g. where a threshold must be met) and any non-financial benefits.
- the employer cannot claim for any salary which is "*conditional on any matter*". This may exclude any salary payments which the parties have agreed are conditional on the Job Retention Scheme paying out.
- the employer can claim for earnings which it "*reasonably expects to be paid*" to the employee - that seems to include deferred earnings, deferred until the Scheme pays out (provided they are not *conditional* on the Scheme paying out).
- The updated guidance still does not provide any further information on the taking of annual leave when furloughed.

The government's updated guidance can be found [here](#). If after reading this information your question still has not been answered, please contact FRSA HQ.

*Ends*

*Tristan Ashby*

**Chief Executive Officer**