**AGREEMENT FOR FURLOUGH LEAVE**

Employer Name: **XXXX**  
Employee Name: **XXXX**

This is a variation to your contract of employment, designed to implement and take advantage of the government’s Coronavirus Job Retention Scheme.

1. We agree that from**[DATE]** you shall be **[deemed to have been]** on Furlough Leave. This means you cannot do any work for us, apart from undergoing training, although your contract of employment will continue and you will continue to accrue holiday. We will normally expect you to be on Furlough Leave for at least three weeks, as that is the minimum period which will allow us to reclaim 80% of your basic salary from HMRC.

2. We will pay you:-**[PICK OPTION]**

• 80% of your basic salary, excluding fees, commission and bonuses, calculated according to paragraph 3. You agree to waive entitlement to any further remuneration during your Furlough Leave;

**OR**

• 80% of your basic salary, excluding fees, commission and bonuses, calculated according to paragraph 3, up to a maximum of £2,500 per month. You agree to waive entitlement to any further remuneration during your Furlough Leave;

**OR**

• your normal salary.

**Note: if choosing either of the first two options, you need to agree the reduction in salary with the employee. This wording achieves that, but you should explain it carefully so they know what they are signing.**

3. Your salary is calculated as

**[for salaried employees]** your actual salary before tax as it stood on 28 February 2020.

**[for employees with irregular earnings who have been employed for a full 12 months]** the higher of:  
(i) your same month’s earnings from the previous tax year; or,  
(ii) your average monthly earnings from the 2019-20 tax year.

**[for employees with irregular earnings who have been employed for less than 12 months]** an average of your monthly earnings since you started.

4. Deductions for tax, national insurance contributions,**[add any other deductions]** and pension will continue to be made from your salary.

5. **OPTIONAL**: You agree to defer the salary set out at paragraph 2 until HMRC’s online portal enabling us to claim your salary under the government’s Coronavirus Job Retention Scheme has opened, and we have had a reasonable opportunity to put in a claim and receive the funds. However, if we decide to cancel your Furlough Leave and ask you back to work before you have been on Furlough Leave for three weeks, we will pay you the monies otherwise due under this agreement immediately.

6. If, for any reason, HMRC decides to reclaim any monies which it paid to us in connection with your salary, we are entitled to reclaim that from you (including by making deductions from future salary payments to you), and no further payments shall be due.

7. 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 asking you back to work.

8. **EITHER:**When on Furlough Leave, you may not do any work for any other employer or organisation, whether as an employee or on a self-employed basis, unless you already did that work before going on Furlough Leave; *\*\**

**OR:** If you work for any other organisation during your Furlough Leave, other than one you already worked for before going on Furlough Leave, you must tell us. There is a risk this means HMRC will reclaim your salary payments and, if they do, you will have to repay it to us as set out at paragraph 6.

***\*\* It is currently unclear whether this is a condition of receiving salary contributions under the Job Retention Scheme. We are waiting for further guidance from the Government and will update the agreement as soon as we know more.***

9. **OPTIONAL – THIS ADDS A LAY-OFF CLAUSE IF ONE DID NOT PREVIOUSLY EXIST**: When your Furlough Leave ends, while we will always endeavour to provide you with work, in the event of insufficient work being available you agree we are entitled to place you on short time or lay you off without any pay except for statutory guarantee payments.

10. **OPTIONAL:** During your Furlough Leave, we may require you to undertake [the following] training (which we will pay for) [insert training if known].

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_  
(Employer)

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_  
(Employee)