

A Step-by-Step Guide to Furloughing an Employee

The 9 steps to follow once you have confirmed an employee is to be furloughed

1 Check the Contract

Check the employee's contract for a clause covering laying them off to impose a furlough period. If you pay for HR support, speak to your provider or you can call the Vantage Employers' Emergency HR advice line on 0333 2407 208

1

2 Decide on an Initial Furlough Period

This period will be from the day when the employee could not work / had no work due to your business having to close or no longer being able to trade at the same level as a result of the Coronavirus lockdown. The minimum length of time an employee can be furloughed is 3 weeks*

2

3

3 Decide Level of Employee's Furlough Salary

You can pay 100% of their normal salary and claim up to 80% of this via the Government 'Coronavirus Job Retention Scheme (CJRS)' (capped at £2500 per employee per month) or pay 80% and claim this amount (same cap applies) *NB: refer to your cashflow forecast and make sure continuing to pay 100% of their salary doesn't threaten the employee's job in the long term*

4

4 Consult the Employee

Call the employee to explain the reason they must be furloughed and confirm their acceptance

5

5 Confirm in Writing

Confirm the agreement to furlough in writing as a variation to the Contract of Employment. [Here's an example communication.](#) Request the employee confirms their consent in writing, unless it has been confirmed that your contractual provisions cover lay off

6

6 Stop the Employee Working for You

Ensure the employee ceased to work for you from the agreed furlough start date (this date may be retrospective) and ensure they understand they are not permitted to work for you while furloughed

7

7 Calculate the Claim Amount

The amount you will claim for the employee will be 80% of their gross wage + employer's NI + minimum employer pension contribution

8

8 Submit Your Claim On Time

Submit the claim via the Government online portal right before you run your payroll or as you run it. This portal goes live from the end of April, when you can make backdated claims from 1st March.

9

9 Submit Further Claims as Appropriate

The frequency of your claims for the employee will depend on the initial length of furlough agreed with them*

Clear Vision Accountancy Limited

1 Abacus House Newlands Road
Corsham Wiltshire SN13 0BH
Tel: 01249 712074

www.clearvisionaccountancygroup.co.uk

CLEAR VISION
accountancy · consultancy

Adding Value to Your Business & Balance To Your Life