**Draft letter adapted from ACAS draft.**

Company headed paper

DATE

**Re: Impact of coronavirus on our organisation**

Dear [ ]

I write following our meeting with you on [date], during which we explained to you the impact Covid-19 has had on our business, as well as details of the Government’s Coronavirus Job Retention Scheme.

To minimise the need for redundancies because of the downturn in business, we are applying to join the Scheme. It will ensure that 80% of employees’ salaries will be covered up to a maximum of £2,500 per month, where we cannot provide work for them. For permanent members of staff on full contracts this is based on 80% of the February salary payment.

The 80% of February 2020 salary is expected to be the calculation used. There is an alternative calculation for employees whose pay varies (each week or month). In these circumstances, the calculation is based on the higher of (a) your salary in the same month last year or (b) an average of your salary for the current tax year (2019/20). How the choice of calculation is made has not been determined by HMRC, and this might affect your payment.

The Scheme requires that we designate staff (with their agreement) as a "furloughed worker", which means they will not be provided with work, and we can continue to pay them through funding from the Government's Coronavirus Job Retention Scheme.

I can confirm that you have been designated as a ‘furloughed worker’ as from [date] which means that your status as an employee has temporarily changed. You will remain as a “furloughed worker” for as long as we are unable to provide you with work and are enrolled in the Scheme.

We will keep your status as a ‘furloughed worker’ under continuous review and in the event that the position changes, you will be notified.

**Furlough leave**

Staff will not be "furloughed" while absent from work as a result of medical advice and self-isolation guidance or if they are receiving statutory/contractual sick pay. Staff who are able to work from home are not "furloughed workers" and are expected to continue to do so even though our work locations are now reduced/closed.

During the furlough period, a ‘furloughed worker’ will:

* not have their continuity of service broken;
* not carry out any work for us; and
* continue to receive [wages/salary] [, although reduced by 20%].

Terms and conditions of employment and continuity of employment will not be affected during this period (other than by the above furloughing arrangements).

**What happens next**

The exact amount we will be paying is subject to the grant that we receive from the government, which is based on 80% of your monthly earnings in this tax year. We are calculating the grant relating to your employment and confirming this amount with our accountants, who will in turn confirm this with HMRC.

Ultimately, it will be your decision as to whether you wish to accept a change in your employment status to that of ‘furlough worker’ [with a reduced salary]. However the alternative may be compulsory redundancy or unpaid leave.

Should you be willing to accept the terms of furlough leave I would ask you to please [sign your acceptance at the end of this letter and return to me by [DATE] OR [email me confirming your acceptance by DATE].

I would like to reassure you that we are determined to [reopen your place of work/reintroduce your role/see an upturn turn in business] once the situation has improved.

Please look out for further updates and do not hesitate to contact me if you have any queries or concerns.

Yours sincerely,

[NAME]

**ACKNOWLEDGEMENT BY EMPLOYEE**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, accept the change in my employment status to that of ‘furlough worker’ on a temporary basis.

OPTIONAL: In addition, I agree to a 20% reduction in wages as per the Coronavirus Job Retention Scheme.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_