[EMPLOYEE/WORKER]

[ADDRESS]

[DATE]

Dear [EMPLOYEE]

**Furloughed Worker Status**

We write to seek your agreement to a temporary change in your employment status.

As you will be aware, the current global pandemic and measures to mitigate this are causing significant economic disruption to businesses in the UK. Our business is particularly exposed in the current climate and we are left in a situation where we will have no work to offer any of our employees.

Ordinarily in circumstances like this we would have to consider how the business could manage this situation and that would include taking measures including asking staff to agree to a period of unpaid leave or potential redundancies.

However, as you may be aware, the government introduced the Coronavirus Job Protection Scheme on Friday 20th March. Under this scheme, we have the ability to designate you as a ‘furloughed worker’ at this time. This means that you remain in employment with us and remain bound by the terms of your employment contract, but are not required to do any work and should remain at home. Doing this however would mean you having to agree to a pay reduction. The government scheme will allow us to pay you 80% of your normal wages (up to a cap of £2500 per month). The government has still to clarify whether the payment being made will be based on gross or net earnings or whether it will account for any other benefits you would ordinarily receive, so we will clarify this with you as soon as we can. However, by agreeing to be placed on furlough, you would be agreeing to this reduction in salary for the furlough period.

[The business has also decided it will also continue to pay you the remaining 20% of your salary to ensure you continue to receive full pay. This, however, is at our discretion and may change depending on the financial position of the business during this constantly changing situation. We will notify you if there is any change to our decision in this regard.]

[Per clause [X] of your employment contract, we have the right to impose lay-offs or short term working where there is a reduced requirement for work on a temporary basis. In accordance with this clause, you are therefore being laid off on a temporary basis, which allows us to designate you as a furloughed worker for the purposes of the Job Retention Scheme.]

[In order to implement this change, we therefore seek your agreement to designate you as a furloughed worker on the basis set out above. You do not have to agree to this, but we want to enable as many staff as possible to remain in employment and earning during this time.

If you agree to be designated as a furloughed worker please sign and return this letter to [PERSON] by [DATE]. Alternatively, you can email [NAME] on [EMAIL] to confirm your agreement. The changes to your employment will come into effect immediately and will be temporary.]

Unfortunately we cannot say how long the changes will be imposed for at this time.

We will endeavour to keep you updated and will inform you in writing when your status as a furloughed worker is withdrawn and you can return to work.

If you have any further questions at this time or wish to discuss this matter further, please contact [PERSON].

Yours sincerely,

[NAME]

On behalf of [BUSINESS]

I, [EMPLOYEE], agree to be designated as a furloughed worker for the purposes of the government Job Retention Scheme. I understand that I will remain bound by the terms of my contract of employment, but must not carry out any work and will receive 80% of my usual earnings (subject to a cap of £2500 per month). I understand that this is a temporary change in status.

Signed………………………….. Date………………………