**Private and Confidential**

[Employee's name and address]

DATE

Dear [Enter first name]

**Re: Furloughed workers**

I write further to our discussion on [Enter name] in respect of the current coronavirus outbreak, and the challenges we face as a consequence in continuing to provide you with work for the foreseeable future.

During our discussion, I set out the impact that the current situation is having on our business, which is [Enter details explaining the need to use furlough, for examp that, as a business in the hospitality sector, the Government has enforced our closure as part of its social distancing measures.]*.*

We are therefore unable to offer **(\*work to any of our employees for the time being/\*work of the kind that you are employed to perform for the time being, and we have been unable to identify any other role in the business which you would be in a position to undertake.)**

In order to help avoid significant large-scale redundancies across the country from those businesses directly affected by this measure, on Friday 20 March 2020 the Government announced that it was setting up a new Coronavirus Job Retention Scheme (the Scheme) to help businesses.

So as to prevent the potential redundancies that would have arisen from the position we are currently in, we are applying to join the Scheme, which will entitle us to receive a grant to cover up to 80% of our employees' wage costs for as long as we remain in the Scheme, up to a total of £2,500 per month per employee. The Scheme is initially expected to be in operation for three months, but it may very well be extended.

The Scheme requires us to designate affected employees as “furloughed workers”, and we intend to do this for **(all of our employees/all employees in the [Enter details] department/other)**. We must then pass this information to HMRC and will be able to receive a grant to cover your wages to the extent set out above.

**(EITHER)**

Further to our discussion, we have agreed that you will be designated as a “furloughed worker” as from [Enter date] which means that your status as an employee has temporarily changed. You will now be a “furloughed worker” for as long as we are unable to provide you with work and are enrolled on the Scheme. You will continue to receive 100% of your wage while you are a furloughed worker.

**(OR)**

Further to our discussion, we have agreed that you will be designated as a “furloughed worker” as from [Enter date] which means that your status as an employee has temporarily changed. You will now be a “furloughed worker” for as long as we are unable to provide you with work and are enrolled on the Scheme. You have also agreed to a reduction in your wage to 80% of your basic wage, capped at £2,500 per month, while you are a furloughed worker.

If you do not agree with the above, please contact me directly as a matter of urgency.

We will keep your status as a “furloughed worker” under continuous review and in the event that the position changes, you will be notified. At the present time I do not know when this will be, but I can assure you that the company will continue to monitor the evolving situation very carefully.

We are doing everything we possibly can to ensure we are able to survive the challenges we are facing. We appreciate that this is a difficult period for everyone and I would like to thank you for your continued loyalty to the business.

If you have any queries regarding the contents of this letter, please do not hesitate to contact me on [Enter details].

Yours sincerely

[Name]

[Job title]

*\*delete as appropriate*

***Notes***

* ***This letter can be used to inform employees that you will be designating them as a furloughed worker in line with the Government’s Job Retention Scheme.***
* ***This letter should be used only after you have discussed furlough with the employee.***
* ***The Scheme will provide you with a grant to cover 80% of wage costs, to a maximum of £2,500 per employee per month.***
* ***You are not required to make up the remaining 20% of wage costs. If the 20% will not be made up, this should be set out in the letter and forms part of the agreement to furlough.***
* ***Designating an employee as a furloughed worker and reducing pay without obtaining agreement from the employee may give rise to a claim of breach of contract or constructive dismissal. However, with redundancy as the likely result of their refusal to agree, it is not anticipated that an employee will withhold agreement.***
* ***You should ensure that your position on pay is covered in the letter by including, amending or deleting the relevant clause.***