

# HOW-TO GUIDE: STAFF FURLOUGH TOOLKIT

## What you need to know

This how-to guide to our staff furlough toolkit will take you through how to place a staff member on furlough leave and make a claim under the Coronavirus Job Retention Scheme. The toolkit itself contains all of the documents that you are likely to need. Links to these documents are set out below, next to the relevant task or point in the guide. Links are also provided below to relevant parts of the Sparqa Legal guidance which you may find useful, as well as to Government resources where necessary.

Please note that this guide is a summary only; for comprehensive guidance on the process, see [Coronavirus Job Retention Scheme](#) and [Putting staff on furlough leave](#).

If you are furloughing a company director, you can use our separate Director furlough toolkit.

Task	Details	✓
<b>Designate staff as 'furloughed workers'</b>		
If you are furloughing only some, rather than all, of your staff, make a decision about who to furlough.	<p>Equality and discrimination laws will apply to this process.</p> <p>You could start by asking for volunteers, but if you cannot make a decision this way then you should carry out a pooling and selection process in a similar way as you would in a redundancy situation; see <a href="#">Redundancy process</a> for guidance.</p> <p>Bear in mind that if you are planning to furlough 20 or more employees, you may need to carry out a consultation and selection process with employee representatives. You should speak to a lawyer about this; for access to a specialist lawyer in a few simple steps, you can use our <a href="#">Ask a Lawyer</a> service.</p>	
Discuss the position with your staff and outline what this will mean for them.	<p>If you will not be topping up the grants available from the Government so that they receive their full pay, you will need their specific agreement to a reduction in salary.</p> <p>You also need to specifically agree that they will stop working for your business during furlough leave, which must last for a minimum period of 21 days.</p>	

Task	Details	✓
<p>Write to each staff member who will be furloughed to formally explain the changes you will need to make to their contract with the business and to explain what the arrangements will be for their furlough leave.</p> <p>Ask them to sign and return a copy of the letter to confirm agreement (either by posting a hard copy or responding via email).</p>	<p>You can use <a href="#">Furlough leave agreement letter</a>.</p> <p>If you will be bringing back a staff member who was made redundant between 1-19 March 2020 in order to place them on furlough, use <a href="#">Furlough leave agreement letter for a staff member who has been made redundant</a>.</p> <p>If you are placing someone on family leave on furlough (i.e. maternity, paternity, adoption or shared parental leave), use <a href="#">Furlough leave agreement for a staff member on family leave</a>.</p>	
<p>Once you've received their written agreement, send a letter to confirm they are now on furlough leave.</p>	<p>You can use <a href="#">Furlough leave confirmation letter</a>.</p>	
<b>Submit a claim through HMRC's online portal</b>		
<p>Prepare your claim for each staff member by calculating 80% of their pay over the course of the period you are claiming for.</p>	<p>You will need to calculate the total amount you are claiming, including the total employer NICs and pension contributions.</p> <p>To help you assess this, you can use HMRC's <a href="#">online calculator</a>.</p> <p>Bear in mind that staff must be furloughed for a minimum period of 3 weeks.</p>	
<p>Submit information to HMRC about the furloughed staff and what they earn through <a href="#">HMRC's Government Gateway</a>.</p>	<p>If you're claiming for less than 100 staff, you'll need to enter the details set out above for each of them individually. If you're claiming for more than 100, you will have to upload a file containing the information, which can be in any of the following types: .xls .xlsx .csv .ods.</p>	
<p>Retain records and calculations in relation to your claims (including your claim reference number) as you will not receive an email confirmation.</p>		

Task	Details	✓
HMRC will, having received the claim and assessed it, make a BACS payment to your bank account within 6 working days and you must then pay your staff the full amount they are owed under the scheme through your payroll.	You must not make any deductions from what you pay to your staff, whether for administration costs or for any other reason.	
<b>If relevant, bring the staff member off furlough leave/place them back onto furlough leave</b>		
<p>If you have decided to end your staff member's furlough leave, write to them to notify them that their furlough leave period has come to an end, and to advise them to return to work on their usual employment terms.</p> <p>It is best practice to arrange for your staff member to sign and return a copy of this letter to you by post or email, to confirm that they understand their furlough leave is coming to an end, and are ready to re-commence work on their usual terms.</p>	<p>You can use <a href="#">Furlough leave letter – return to work</a>.</p> <p>This letter assumes that they will be returning to work on their usual terms of employment and at full pay. If this is not the case, you will likely need your staff member's consent to any changes. See <a href="#">Changing or adding to staff contracts</a> for guidance.</p> <p>Note that you must place a staff member on furlough leave for a minimum of three weeks each time.</p>	
<p>If, having ended their leave, you want to place them back on leave again, discuss this with your staff member confirm their agreement and then write to them again to confirm this.</p> <p>As previously, ask them to sign and return a copy of the letter to confirm agreement (either by posting a hard copy or responding via email).</p>	<p>You can use <a href="#">Agreement letter rotating back onto furlough leave</a>.</p>	
<p>Once you've received their written agreement, send a letter to confirm they are now on furlough leave.</p>	<p>You can use <a href="#">Furlough leave confirmation letter</a>.</p>	