

FLEXI-FURLOUGH GUIDE

Consult HR help managers and business owners with their staffing issues, we help our clients to manage staffing issues with limited stress setting out a clear focus on how the matter can be managed and resolved whilst protecting your business.

Important Dates

Flexi-Furlough will commence from 1st July

The Flexi-Furlough will close on 31st October

What Does Flexi-Furlough Mean

From 1st July employers who do not have enough work to bring their staff back on their full normal working hours can ask staff to work some hours during the week and the employee will be placed on flexi-furlough for the remaining hours. Flexi-Furlough is only available for **eligible staff**.

From 1st July you may have a combination of employees on Furlough for all their normal hours, some staff who are doing a combination of working some hours and flexi-furlough for some hours and other staff who have returned to work on their normal working hours.

[Just ensure you have used a fair and transparent selection process where you have a combination of the above in place, in the event employees challenges who is doing what you can stand over your decisions and is not discriminatory]

What Is Classified As 'Eligible Staff'?

Employees must have been furloughed for a period of 21 calendar days at some point between the Furlough scheme opening and 30th June to be eligible for flexi-Furlough. Any employee who was not on Furlough Leave for this period prior to 30th June, is not eligible for flexi-furlough.

Employees do not have to be on Furlough leave on 30th of June to be eligible.

Is There Any Exceptions?

Employees who return from maternity leave or other family leave after 30th June and did not have the opportunity to be placed on Furlough Leave are eligible for flexi-furlough.

However their employer must have furloughed other staff at some point during the furlough scheme prior to 30th June for the required time and the employee must have been employed and a RTI return submitted to HMRC by 19th March to be eligible.

What Happens If An Employee Re-Starts A New Period Of Furlough With Less Than 21 Days To Go Before 30th June?

Under the Furlough scheme rules, when an employee re-starts a new period of furlough leave the clock will reset back to day 1 and the employee will be required to serve their continuous 21 days on Furlough leave.

So if you take an example of someone who had previously been on furlough for 21 days, returned to work for a period and who was placed on Furlough Leave again on 22nd June, they must remain on furlough leave and will be unable to undertake work until 12th July (which is the point they will have reached their 21 calendar days), after that date they can utilise the flexi-furlough system.

How Will The Payments Work?

There will be a tapering of the government subsidy whereby any Furlough Leave will continue to be paid at 80% to the employee, however over a period of time the employers will be required to contribute towards the furlough pay as follows:-

June & July – No employer contributions will be required. The government will pay 80% of wages up to a cap of £2,500 for the hours the employee is on furlough, as well as employer National Insurance Contributions (ER NICs) and pension contributions for the hours the employee is on furlough. Employers will have to pay employees for the hours they work.

August – the government will pay 80% of wages up to a cap of £2,500 for the hours an employee is on furlough and employers will pay ER NICs and pension contributions for the hours the employee is on furlough.

September – the government will pay 70% of wages up to a cap of £2,187.50 for the hours the employee is on furlough. Employers will pay ER NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed.

October – the government will pay 60% of wages up to a cap of £1,875 for the hours the employee is on furlough. Employers will pay ER NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed.

Any working time will be paid by the employer to the employee

Employers will have to report usual hours worked by the employee, hours actually worked and hours on furlough leave in each claim period.

31st October the Furlough Scheme ends

Cap Applied To Number You Can Claim Flexi-Furlough For

The total number of staff you can claim flexi-furlough pay for must not exceed the maximum number of staff you made claims for in your previous claims.

For example, if you made 3 claims for furlough pay, Claim 1 – 31 staff, Claim 2 – 40 staff, Claim 3 - 35 staff, the maximum number of people you can submit a claim for flexi-furlough will be 40 staff.

Do I Need New Agreements For Staff Placed On Flexi-Furlough Leave?

Employers must agree the new working arrangements with the employees, these agreements can be for any length of time and you can have numerous agreements which change each time so ultimately

you can have a number of flexi-furlough agreements with your staff as your business demands change.

A written record is required, HMRC stipulate you must retain these agreements for 5 years, however you do not need to have an employee's signature, a verbal discussion and agreement is suffice followed up by confirmation of what the agreement is in writing.

Holidays & Training During Flexi-Furlough Leave

Holidays

The guidance states that employees can take holidays during flexi-furlough leave and the employer is required to top the employees pay up to their normal full earnings. So whilst employees can request holidays in the normal fashion in accordance to your holiday request policy, employers also have the right to ask staff to take annual leave during a period of flexi-furlough by giving them double the notice of the duration of holiday you want them to take and then reclaim the furlough pay from the government during this time.

le If you wanted a staff member to take 1 weeks annual leave you must give them at least 2 weeks notice in advance of the first day of the holiday commencing.

Training

Employees can attending training during flexi-furlough, employers should ensure that the employee is receiving at least the national minimum wage for the any time they are undertaking training.

Retention of Records

HMRC have stated that employers must retain records for 6 years showing the following information for those employees that claims have been made for through the Job Retention Scheme:-

- Usual Hours Worked
- Actual Hours Worked
- How the calculation was done

Claim Periods

There will be a deadline date for any claims for Furlough Leave taken up to 30th June, this deadline date is 31st July

From 1st July claims will not be permitted to cross over different calendar months.

Claim periods must be for a minimum of 7 days. You can only claim for a period of less than seven days, if the period you are claiming for includes either the first or last day of the calendar month, and you have already claimed for the period ending immediately before it.

SOME HELPFUL GUIDES

1. **New Guide:** Steps to take before calculating your claim using the CJRS

<https://www.gov.uk/guidance/steps-to-take-before-calculating-your-claim-using-the-coronavirus-job-retention-scheme>

2. **Updated Guide:** Check which employees you can put on furlough

<https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme>

3. **New Guide:** Calculate how much you can claim

<https://www.gov.uk/guidance/calculate-how-much-you-can-claim-using-the-coronavirus-job-retention-scheme>

4. **Updated Guide:** Claim for your employee's wages online

<https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>

5. **Updated Guide:** Report a payment in PAYE Real Time Information

<https://www.gov.uk/guidance/reporting-payments-in-payee-real-time-information-from-the-coronavirus-job-retention-scheme>

6. **New Document:** Flexibly Furlough Worked Example

<https://www.gov.uk/government/publications/find-examples-to-help-you-work-out-80-of-your-employees-wages/example-of-a-full-calculation-for-an-employee-who-is-flexibly-furloughed>

7. **Updated Document:** Worked examples

https://www.gov.uk/government/publications/find-examples-to-help-you-work-out-80-of-your-employees-wages?utm_source=b473fe86-d0d2-4a06-ba3e-2ebd8272ce07&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

If you have any questions in relation to the content of this guide or any other employment query, get in contact with us as follows:-

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