

Advice for Tenants in Employment

UK Government's Job Retention Scheme (Furlough Leave)

You may be aware that the UK Government announced that they will reimburse 80% of the employee wages of those who would otherwise be laid off by their employers because of the impact of COVID-19. This would be achieved through the Government Job Retention Scheme and affected employees will be put on what is called “**Furlough Leave**”.

Below are some key points that may be useful to note:

- All UK employers can access the scheme (e.g. limited companies, sole traders, LLPs, charities).
- The scheme is designed to help employers retain those employees who would otherwise be made redundant or put on a period of unpaid leave.
- Employees will have to be designated by their employers as “furloughed” and notified of this designation.
- Most employment contracts do not include a clause around “Furlough Leave”. Therefore, employers will require formal agreement from employees and this consent would be recorded in contract of employments.
- The Government has said it will reimburse the employer 80% of salary per employee up to £2,500 per month.
- In order to participate in the scheme, the employer should submit information to HMRC about the employees.
- To qualify the employee must not carry out any work for the employer for the furlough leave.
- The Government initially committed to the scheme for 3 months from 1 March 2020. The Chancellor has since announced on the 12th May that the scheme would be extended until 31st October 2020. However, from the start of August (in England), furloughed workers will be able to return to work part-time with employers being asked to pay a percentage towards the salaries of their furloughed staff. Please note, the timescales may differ in Scotland dependant on the advice from the Scottish Government.

- The Government has also introduced changes to statutory sick pay to help those sick and self-isolating.

Some useful information on employee rights under Furlough can be found [here](#)