

## Flexible Furlough – Top 10 Considerations and 30 Calculations for UK Employers

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From July, UK employers can bring employees back to work from furlough “flexibly”. This means that employees can agree to return to work on a reduced hours’ basis, and be paid for that work by their employer, and remain on furlough for the remainder of their working time, and be paid for that period at their furlough rate of pay. This is known as “flexible furlough”. Employers can apply for a reimbursement of payments made to employees while on furlough, up to UK Government limits.

The manner in which flexible furlough pay is calculated, though, is particularly complex. For large employers especially, working this out will take some time and patience to work through. The Government has produced 30 [example](#) calculations and a [calculator](#) to help employers crunch the numbers.

Before you embark on the calculations, here are some key considerations:

1. **No New Entrants:** New entrants are no longer permitted onto the Coronavirus Job Retention Scheme (the CJRS) (i.e., employers can no longer put employees on furlough for the first time, and claim a reimbursement by way of a furlough grant from the Government). The only exception is employees returning from maternity or other family leave.
  2. **Fixed or Variable Pay:** Have you previously calculated the reimbursement on the basis of fixed pay, or variable pay depending on the hours worked? Employers are required to calculate a “baseline” of “usual hours” so it can be compared with the actual hours worked. You will also still need to work out 80% of your employee’s usual wage.
  3. **Maximum Claim Amount:** Before 1 July, £2,500 a month or £576.92 a week was the maximum amount you could claim for wages under the CJRS. From 1 July, the calculations are changing, so this isn’t necessarily the amount you can claim, but you still need to work out the maximum claim amount to allow you to calculate how much your employee should be paid and the amount of grant you can claim towards their wages.
  4. **Flexible Furlough Rota:** You can devise a flexible working pattern that works for your business. You do not need to furlough employees for a minimum of three weeks anymore. From 1 July, employees can work for some days (or part days) and be furloughed for others. For example, an employee could work Mondays to Thursdays and be furloughed on a Friday; or for example they could work half days for five days of the week. The cap on the furlough grant will be proportional to the hours **not** worked.
  5. **Timing of Claims:** Claims must be within the same month, so as an employer you should not claim until you are confident that you have the correct number of hours worked for the employee during the claim period. While there is no minimum furlough period, there will be a minimum claim period of one week, subject to minor exceptions.
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6. **Length of Claim:** If the length of time you're claiming for is not one week or one month, you'll need to use the daily maximum wage amounts to work out the maximum amount for each employee. To work out the maximum amount you can claim, multiply the daily maximum wage amount by the number of calendar days your employee is furloughed for in your claim.
7. **How Many Employees on Flexible Furlough:** From 1 July 2020, the number of workers an employer can claim for in any claim period cannot exceed the maximum number of workers the employer claimed for in any claim period prior to 30 June, plus any employees being furloughed for the first time following their return from parental leave. Employers should therefore check the maximum number of workers claimed for **any** period prior to 30 June 2020 before placing workers on furlough.
8. **Furlough Rules:** The rules about what an employee can and can't do during any days they are furloughed remain the same. Any adjustments to working hours and pay must be recorded in a furlough agreement with the employee.
9. **Deadlines for Claims:** Any claims for furloughs ending on or before 30 June 2020 must be submitted by 31 July 2020.
10. **Furlough Records:** Employers are required to retain (for six years) records of the usual hours worked by each employee (including details of the calculation used to ascertain usual hours) and the actual hours worked.

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