Date: 20 April 2020

**FURLOUGH GUIDE – LETTER TO DIRECTORS**

We have provided a template for use when Furloughing your directors. This is not HR advice, and you should seek specific advice where you feel appropriate.

**TEMPLATE**

**Instructions:** you can use this as a template, cut and paste the text on to your own letterhead. There are Notes for completion below.

Letter start:

[Employer name if not on headed paper]

[Employer address]

[Date]

Dear [Director name]

Due to the ongoing COVID-19 (Coronavirus) pandemic, the board of directors has agreed that you will be furloughed under the Government Job Retention Scheme (“the Scheme”).

Other than to do what is reasonably necessary to fulfil your director’s duties in line with the Companies Act 2006, you will not be required to work until further notice but will continue to be paid [as normal / and will receive 80% of your normal pay / you will receive pay of £2,500\*\* per month.]\*

Income tax and national insurance will be deducted from your pay as normal.

You will continue to be a company director during the furloughed period, however, you must adhere to the conditions of the Scheme during this period. In particular, you **must not** do any work of the kind that you would normally carry out to generate commercial revenue or provide services to or on behalf of the company.

Your furlough period starts on [insert start date – this cannot be before 1 March 2020]. It will end on the earlier of:

* The date you are requested to return to work.
* 30 June 2020 unless this date is extended by the government.

The government has set the minimum furlough period at 3 weeks.

Please sign the attached form to confirm your agreement to being a furloughed director and return to [name of appropriate person/address or email address] by [date].

Yours sincerely

[your name]

Letter end:

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| --- |
| **Notes for completion - DELETE BEFORE SENDING**  \*Delete as appropriate.   \*\*Only use the £2,500 per month option where directors earnings are such that 80% of their normal gross pay is more than £2,500 per month. For example, someone earning £3,500 per month would be due £2,800 at 80% but this is reduced by the cap to £2,500. |