



Coronavirus Job Retention Scheme Step-by-Step Guide

Step 1: Review your business

Conduct a review of your business to assess the commercial and economic impact the COVID-19 pandemic has caused or is likely to cause.

Step 2: Identify the employees who may need to be placed on furlough leave

Identify the employees who as a result of the COVID-19 pandemic have little or no work to undertake - these are the employees who are to be considered for furlough leave.

If the business needs to urgently furlough employees in order to be able to continue to trade, a limited selection procedure carried out on an urgent basis is likely to be acceptable. Alternatively, if the business does not have any immediate financial concerns, a more comprehensive procedure may be more appropriate.

Step 3: Comply with your existing legal requirements

All existing employment law continues to apply. It will be necessary to obtain employees' consent to being furloughed and to follow a fair process. If the business intends to vary the contracts of 20 or more employees, and it intends to dismiss employees who do not consent to the change in their terms within a period of 90 days or less, then it may be necessary to engage in a collective consultation procedure. It is essential that you seek legal advice on the legal requirements before taking steps to furlough employees.

Step 4: Communicate with your workforce

Contact the employees identified for furlough leave:

- explain that the UK Government are providing a support scheme to assist employers with the cost of its employees' wages during this challenging time, and due to the impact the crisis has had on the financial health of the business, the employer wishes to utilise this scheme;
- explain the impact of the scheme on employees' salaries (if any);
- explain that the maximum reimbursement available is 80% of the employee's wage costs or £2,500 whichever is the lower;
- seek their consent to change their status to that of a furloughed employee and to change their terms of employment accordingly.

Step 5: Confirm the change in writing

Confirm the employees' new status in writing and maintain a record of this correspondence for a minimum of 5 years. This is an eligibility requirement for accessing the scheme. You may wish to place your employees on furlough for an initial period subject to review to take into account the evolving nature of the current COVID-19 pandemic.

Step 6: Submit the information to HMRC

The HMRC portal is expected to become operational by the end of April. Once available, the business will need to submit information regarding its furloughed employees before HMRC are able to issue any reimbursement.

You can rotate the employees placed on furlough leave if your business does not need to furlough its whole workforce. The employees must be furloughed for a minimum of three consecutive weeks at a time.

The following information will need to be provided to HMRC:

- ePAYE reference number;
- number of employees being furloughed;
- claim period (start and end date);
- amount claimed (per the minimum length of furloughing of 3 weeks);
- bank account number and sort code of the employer;
- contact name; and
- phone number.