

Corona Virus Job Retention Grant Scheme – Furlough Leave – Update

6th April 2020

On Friday evening HMRC published their latest guidance on the application of Furlough Leave.

- Company directors can be furloughed. They can still perform their statutory duties, but not other work for the company.
- Employees can be furloughed multiple times, ie they can be furloughed for a minimum of three weeks, brought back to work, then re-furloughed for another three weeks.
- Employers must have a written agreement with their employees to go on furlough leave and keep the record of that written notification for five years.
- Employees can start a new job when on furlough (meaning they might end up earning 80% of the old salary and 100% of a new one), if the new Employer is willing to start their new recruit under the current circumstances.
- Employers can reclaim 80% of compulsory commission back from HMRC, as well as basic salary. But this can only apply to the commission from *past* sales as the furloughed employees cannot be completing new sales when on furlough leave.
- Employers can reclaim 80% of fees (whatever that means) from HMRC. The previous guidance said they could not.
- The 80% does *not* include non-monetary benefits (e.g. the value of health insurance or a company car).