



Need some advice? Furlough Guidance for Members

With many of our members being furloughed, we want to remind those of you in this position that your fellow members and your branch committee are a great source of mutual strength, so keep in touch with them. As a network, we are here to support each other.

To help give you an understanding of 'the basics', we have drawn together some of the main furlough facts, as well as links to organisations who have given us permission to pass on their more detailed documents on this issue. You will also find links to upcoming webinars if you'd like to hear more.

Furloughing is a very new development in a time of great uncertainty for all of us. It is natural to be worried about the future – either as an employer or an employee. What is particularly important to the property industry is that firms are able to get going again when restrictions are lifted. It is vital that furloughed staff are able to easily start work again.

The bond between the firm and the employee is very important and firms need to actively maintain the connection and support their employees through social interaction, team discussions and concern for their well-being. Part of that is also to ensure that both firms and employees feel fairly treated and the relevant employment law process needs to be observed. Employees need to buy in to what is happening to them. As well as treating the furloughed employees fairly, there are also issues of equity as between the treatment of furloughed and non-furloughed employees.

For those that have been furloughed, a question is how they should use their time. Higher unemployment and a tougher jobs market look inevitable at the end of this. How can employees improve their value and marketability to employers? Furloughed employees should consider what training is appropriate for them to undertake – in the widest possible sense.

Thanks to **Laura Morrison** and **Jamie Delaney** at **Dentons** and **John Endacott** at **PKF Francis Clark** for their help.

- The colossal spend on the job retention scheme is scheduled to wind down over the coming months. There will be no extension to the current arrangements but for everyone returning from furlough and staying in employment until the end of January 2021, their employer will receive a grant of £1,000.
- From 1 July employers will only be able to claim for employees who have previously been furloughed for at least 3 consecutive weeks taking place any time between 1 March 2020 and 30 June

- Employers will be able to flexibly furlough employees – this means they can bring employees back to work for any amount of time, and any work pattern.
- Employers will still be able to claim the furlough grant for the hours their flexibly furloughed employees do not work, compared to the hours they would normally have worked in that period
- From 1 August, the level of the grant will be slowly reduced. No grant will be available for Class 1 employer NICs or pension contributions from 1 August although these contributions towards the cost of furloughed employees' wages to ensure they continue to receive at least 80% of their wages for the time they're on furlough will remain payable by the employer.
- If you are furloughed, you cannot work, so you will not need to use up parental leave - you can hold this for another time.
- If you are on maternity leave and your employer offers enhanced contractual pay, they can include this in their claim to HMRC, so they might decide to furlough you.
- Holidays will still accrue, according to your statutory and contractual entitlement.
- HMRC will reimburse employers for 80% of wage costs, up to a salary cap of £2,500 per month, plus employer National Insurance contributions and minimum automatic enrolment employer pension contributions.
- The relevant employment contract terms need to be complied with so the employer cannot simply impose a reduction in pay to 80% unless they already had a contractual right to do so. Some employers will seek to maintain furloughed employees on full pay but most want to reduce pay to 80%.
- Be careful if you've had a recent pay increase because the calculation may average down. Commission, fees and bonuses are excluded from determining monthly earnings.
- You will be taxed as normal.
- The furlough scheme allows for those who were on the payroll of a company on 28 February but subsequently left, to be put back on payroll and furloughed. This includes those who resigned to start a new job after 19 March. It applies to employees that were made redundant or stopped working for their employer after 28 February, even if they are not re-employed until after 19 March. The employee has to have been on the payroll as at 28 February and had been notified to HMRC on an RTI submission on or before 28 February 2020.
- They may return to their old employer but decisions around whether to offer to furlough someone are down to the individual company.
- You can volunteer and receive training, again providing this does not generate revenue for or provide services to your employer. This means you can still enjoy your involvement with Women in Property, including attending webinars.
- However, presenting a webinar would be considered to be working as would attending business development events, while training events would not.

Further information:

Click here <https://www.pkf-francisclark.co.uk/coronavirus-updates/> for further tax information from PKF Francis Clark, kindly provided by John Endacott.

Martin Lewis of Money Saving Expert offers advice on his website:

<https://www.moneysavingexpert.com/news/2020/03/coronavirus-self-employed-and-employment-help/#template>

If you have any other concerns please do contact National Chairman Monica Green on 01904 610077, Executive Director Fiona Alfred on 07836 233253 or National Vice Chairman Rachel Bell on 07817 318407 or contact your branch Chairman whose details you will find at <https://www.womeninproperty.org.uk/branches/>

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Document revised as of 10th July 2020 due to change of HMRC advice