



# Employing Staff in Uncertain Times

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*Please note the contents of this presentation are given for information only and must not be relied upon. Legal advice should always be sought in relation to specific circumstances.*



# Coronavirus job retention scheme (Furlough): recap

- Furlough scheme was announced on 20 March 2020 and the portal for claims opened on 20 April 2020
- Allows temporary leave agreement (Furlough) and HMRC pay grant
- Original scheme ended on 30 June 2020. From 1 July 2020 flexible Furlough is possible-mix of work/ Furlough.
- Furlough scheme allows an employer to claim reimbursement of wages up to 80% or £2,500 per month per employee



# Extension of the coronavirus job retention scheme

- Furlough has been extended to 30 September 2021
- Level of grant will remain the same until 30 June 2021 and then if employee furloughed 100% of the time:
  - July 2021: claim up to 70% up to £2,187.50
  - August & September 2021: claim up to 60% up to £1875



# Redundancy concept

Role no longer needed due to:

- Business closure
- Workplace closure
- Reduced requirements

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# Redundancy: the cost?

- Notice entitlement
- Redundancy pay – statutory maximum of £16,140 rising to £16,320
- Enhanced contractual?



# Alternatives

- Reduce headcount
- Temporary suspension
- Reduce hours/pay
- Statutory lay off/short work

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# Should you ask for volunteers?

- No obligation
- Could avoid consultation/selection process
- Enhanced redundancy packages/settlement agreement
- Reserve the right to refuse any application but.....



# Fair redundancy

- Redundancy: potentially fair reason
- Process, including consultation
- Selection
- 2 year qualifying period for claims
- Discrimination?
- Decision
- Appeal?



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# Consultation

- Proposal not decision
- Agreement not needed
- 14 day period?
- Collective – 20 or more dismissals/30 or 45 days
- Rationale – first stage
- Selection scores – second stage



# Selection pool

- Which group at risk?
- Wide/ Narrow? Employer decides
- “Pool of one”?
- Similar skills/roles



# Selection Criteria

- Objective assessment; avoid indirect discrimination
- LIFO/length of service
- Performance
- Skills/experience/qualifications
- Attendance record
- Disciplinary Record
- Weighting



# Alternative Role

- Alternative role available?
- Present all available opportunities
- Must be suitable
- Even if suitable, employee can still refuse if reasonable
- Trial period

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# Furlough leave and redundancy

- If furloughed, should you proceed with redundancy now?
- Only those on furlough in the redundancy pool?
- Can you claim notice pay for somebody who is on furlough leave?
- Statutory redundancy pay be based on furlough leave pay or full pay?



# Conclusion

- Consider alternatives
- Follow a fair process
- Consultation essential
- Collective?
- Objective/non-discriminatory selection
- Written records

# Contact



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