

Example 1

An employee works a 40 hour week (8 hours per day), with an annual salary of £50,000. He has been on furlough since 1 May 2020 but now the employer wants to bring him back to work, and on reduced days, working 2 days per week (Thursday and Friday) for the whole of July. The employee will therefore work 10 days, furloughed for 13 days and 8 days as weekends / non-working. We have used the actual working hours and days for the calculation, and the calendar days for the period. There are 23 working days in total for July 2020 and a total of 184 working hours. The employee is on furlough for 13 working days in July which is 104-furloughed hours and working for 10 days, 80 working hours.

The amount you can claim is calculated as follows:

- Step 1. Calculate the lesser of 80% of their usual wage and the maximum wage amount. 80% of the usual wage is £3333.33. ($\text{£50,000 annual salary} / 12 \text{ months} * 80\%$), and the maximum wage amount is £2,500 so the maximum wage amount is less.
- Step 2. Calculate the employees' minimum furlough pay. To calculate this, you multiply the maximum wage amount by the employee's furlough hours, and divide by the employee's usual hours.
The minimum furlough pay is £1,413.04. ($\text{£2,500 maximum wage amount, multiplied by 104 furlough hours, divide by 184 employee's usual hours}$.)

You can claim for the full £1,413.04 in July. This will reduce to £1,236.41 (70%) in September; and £1,059.78 (60%) in October.

Example 2

For example 2, the facts will be the same as for example 1, but the salary will be £25,000.

Therefore, the employee works a 40 hour week (8hours per day), with an annual salary of £25,000 and has been on furlough since 1 May 2020. The employer wants to bring him back to work on 2 days per week (Thursday and Friday).

The amount you can claim is calculated as follows:

- Step 1. Calculate the lesser of 80% of their usual wage and the maximum wage amount. 80% of the usual wage is £1,666.66. ($\text{£25,000 annual salary} / 12 \text{ months} * 80\%$), and the maximum wage amount is £2,500 so the usual wage amount is less.
- Step 2. Calculate the employees' minimum furlough pay. To calculate this, you multiply the maximum wage amount by the employee's furlough hours, and divide by the employee's usual hours
The minimum furlough pay is £942.03. ($\text{£1.666.66 maximum wage amount, multiplied by 104 furlough hours, divide by 184 employee's usual hours}$.)

You can claim for the full £942.03 in July. This will reduce to £824.28 (70%) in September; and £706.52 (60%) in October.

Example 3

For example 3, the facts will be the same as for example 2, but returns full time on 20 July 2020

Therefore, the employee works a 40 hour week (8hours per day), with an annual salary of £25,000 and has been on furlough since 1 May 2020. He returns to work flexibly from 1 July 2020, working Thursdays and Fridays, before returning to full pay with effect from 20 July 2020

The amount you can claim is calculated as follows:

- Step 1. Calculate the lesser of 80% of their usual wage and the maximum wage amount. 80% of the usual wage is £1,666.66. ($\text{£25,000 annual salary} / 12 \text{ months} * 80\%$), and the maximum wage amount is £2,500 so the usual wage amount is less.
- Step 2. Calculate the part month maximum furlough (being the period for which the employee is under a flexible furlough arrangement)
 $\text{£1,666.66} / 31 \text{ multiplied by } 19 = \text{£1,021.50}$
- Step 3. Calculate the minimum furlough pay during the flexible working period. The employee will have 13 working days whilst under the furlough arrangement, and will work 6 of those days, or 48 hours. The usual hours are therefore 104 hours (13 days) and the furlough hours are 56 hours (or 7 days). The calculation is then the above figure multiplied by the employee's furlough hours, and divided by the employee's usual hours, and so is $\text{£1,021.50} \text{ multiplied by } 56, \text{ divided by } 104 = \text{£550.04}$.

You can claim for the full £550.04 in July.