

Furlough Pay scenarios from November 1st 2020

The base calculation methods for the current furlough period are detailed below, please note that an individual colleagues' furlough rate may change every month in line with the updated regulations.

All colleagues will receive a minimum of 80% of their contracted pay as at 1st November 2020.

Total pay during the colleagues period of furlough will be based on the higher of:

- 80% of a colleagues' contracted hours at their basic rate as of 1st November 2020
or
- The HMRC furlough rate calculations. Please see detailed table below for the HMRC calculations as the calculation used depends on a colleagues original starting date.

The HMRC furlough rate calculations.

Joined Midcounties and paid in full in the 13 th March 2020 pay	HMRC defined furlough rate calculations	HMRC reference pay period	Calendar Period
Yes	80% of the higher of: <ul style="list-style-type: none"> • Wages earned in the corresponding calendar period in the tax year 2019 to 2020 (eg pay period Nov 20, use Nov 19) • The average wages payable in the tax year 2019 to 2020 Note: Due to calculation being based on corresponding period in previous year, furlough rate may change monthly	13th March 2020	Changes monthly
No	<ul style="list-style-type: none"> • If the reference period was a full, normal pay period the rate is based on 80% of the wages earned in the reference period (eg October 23rd pay packet) • If the reference period does not reflect usual wages then the rate is 80% of usual wages (eg basic hours X basic rate) Furlough rate is fixed	23 rd October 2020	n/a

The amounts calculated above are then divided by 4 weeks and by a colleagues' contracted hours to calculate a furlough rate per hour that is loaded into the payroll system. For zero-hour colleagues normal hours are calculated based on the hours that correspond with the HMRC calculation.

Please note: due to the complexity of the above calculations, the furlough rate is not always 80% of a colleague's normal hourly rate. If it is below the Midcounties top-up rate will be applied.

How will furlough hours and holiday hours work together?

For holiday hours a colleague books in the system whilst on furlough they will be paid 100% of their holiday rate for those hours. In Kronos it is vital that both furlough holiday and normal holiday show at the same time. This ensures the Society can claim the furlough grant back from HMRC and colleagues are paid 100%.

If holiday is added/adjusted due to deemed holiday being taken this will also be paid at 100% of the holiday rate.

Holiday example

Colleague A books 16 hours of holiday during December. Their usual holiday rate is £9.65. the colleague will be paid the holiday rate which is 100% of their average paid rate including overtime for the past 12 months.

The colleagues schedule will show 16 hours holiday furlough and 16 hours holiday. The colleague will be paid as below:

Holiday paid to the colleague = $16 * £9.65 = £154.40$

In accordance with the Scheme, the Society will claim back the furlough rate element from HMRC $16 * £8.21 = £131.36$

How and when is furlough paid?

Furlough pay is paid in line with standard adjustment weeks as it must be based on the actual information in the kronos timecards. As a reminder the kronos weeks paid and their pay dates are shown below:

Pay date	Furlough paid for
20 th November 2020	11 th October – 7 th November
18 th December 2020	8 th November – 5 th December
15 th January 2021	6 th December – 2 nd January
12 th February 2021	3 rd January – 30 th January
12 th March 2021	31 st January – 27 th February
9 th April 2021	28 th February – 27 th March
7 th May 2021	28 th March – 24 th April