

Coronavirus - Guidance to Employees and Line Managers

It has now been over a month since the lock down measures were introduced by the government restricting non-essential travel, advising us to stay home, protect the NHS and save lives.

In the last six weeks life for many has changed as we follow the governments advice on social distancing to protect ourselves and others from the coronavirus and this has changed how we work with people being furloughed, others working from home and some still required to attend work to meet customer needs.

People may find these changes bring about feelings of isolation, anxiety and distractions because of what is happening globally. We must all stay mindful of the impact the situation has on our health and wellbeing as normal routines will likely no longer exist.

The company has an Employee Assistance Programme helpline provided by Unum for those who may be experiencing difficulties, please call 0800 048 2702 or log on to www.unumlifeworks.co.uk USER ID Unum PASSWORD lifeworks.

Business Update

We have just concluded our half yearly financial review and whilst the results are reduced compared to budget, they are not unexpected and the measures we have put in place are minimising the impact on our financial position.

Current business activity remains optimistic with contract wins and business units remaining busy.

- TS Metals remain very busy as does Bury St Edmunds maintaining fresh water and sewage treatment.
- Grimsby have been classed as essential workers supporting the MOD/Rolls Royce for the manufacture of stators for submarines.
- Swansea has secured its first formal contract with Tata Port Talbot for main stream repairs, it is for 2 years and is site wide for Port Talbot covering all sizes of motor and all departments.
- Building Services Maintenance have been involved in the re-modelling of 4 wards at Blackburn hospital into intensive care units and the M&E business have been carrying out works for the NHS at Doncaster hospital.
- Rugby have been awarded various contracts including a major outage at Allington Power Station, site works on the main generators for MES Environmental and providing emergency breakdown at London Energy.

In our last communication we focused on Furlough Leave and Holiday Pay and explained that we would have to manually adjust pay due to timing issues with running payroll and claiming the grant from the CJRS. You will now have received your payslip and for those of you who are on Furlough Leave you may have some questions about how the pay has been calculated. The following page shows an example payslip with an explanation against each line you may see on your payslip.

J Bloggs

Example Payslip - Apr 2020

Heading	Amount	Explanation
Gross Pay	3,000.00	This is your normal monthly salary i.e. 1/12 of your annual salary
Overtime	250.00	This is the payment for overtime you have worked within the overtime period shown on the payslip
Enhanced holiday pay	30.00	This is the enhanced holiday pay (if applicable) for bank holidays and annual leave taken within the overtime period shown on the payslip.
Furlough pay adjustment - current month	-500.00	This is the adjustment to your salary for furlough pay. It could be positive or negative and is calculated based on your furlough pay compared to your normal salary. If you were furloughed mid-month then this adjustment is based on the number of days furloughed in the month.
Furlough pay adjustment - prior month	-100.00	If you were furloughed in March, you would have already been paid your full salary in March's payroll. This is the adjustment required to reduce the salary down to the furloughed amount.
Bank holiday pay adjustment	17.77	Bank holidays whilst on furlough are payable at your normal daily rate. This adjustment is to ensure that your pay is adjusted to your normal daily rate. The adjustment is based on bank holidays within the overtime period and not total bank holidays in the month.
Total Pay	2,697.77	
Deductions		
Employees NIC	-228.69	Employees NIC is payable on your total pay even when furloughed
Tax paid this period	-331.22	PAYE is payable on your total pay even when furloughed
Employees' Pension	-87.11	Employees' pension is payable on your pensionable earnings at your usual percentage even when furloughed
Total Deductions	-647.02	
Net Pay	2,050.75	

Furlough Pay Basics

1. Employees are classified as fixed or variable. In its simplest format, fixed employees are classed as employees who do not get paid overtime. Variable employees are those who are paid overtime.
2. Furlough calculation for fixed employees is based on 80% of their February 2020 basic salary capped at £2,500 per month.
3. Furlough calculation for variable employees is based on 80% of the higher of the total earnings (salary, overtime, responsibility, standby) for same month in the previous year or the average earnings for the 2019/20 tax year (up to the date furloughed if less than 31/03/2020) again capped at £2,500 per month.
4. Mid month furlough will include salary at 100% up to the date of the furlough then the calculated furlough amount from the date of furlough.
5. In some cases, the furlough calculation may produce a higher figure than basic pay due to the value of overtime paid in the tax year / same month in the previous year. In these cases, employees will receive a positive furlough pay adjustment, the £2,500 cap still applies.
6. As payroll is ran before the end of the month, the furlough calculation cut off was at 17/04/2020. Any employees returning to work before 30/04/2020 or any employees furloughed after 17/04/2020 are likely to need an adjustment to their pay in May which will be shown as furlough pay adjustment prior month.
7. Employee and employer pension contributions will remain at the same percentages albeit they are applied to the furloughed salary and not full salary.

Please note that the two bank holidays at Easter fall within two different overtime periods, therefore the Easter Friday is in April pay and Easter Monday will be paid in May.

Stay safe everyone

Please note the foregoing is subject to ongoing review and the business may change its position dependent on severity of circumstance. Government legislation may change and again we will follow this as required.

Latest advice from NHS is contained in the following link <https://www.nhs.uk/conditions/coronavirus-covid-19/>