

---

STATUTORY INSTRUMENTS

---

**2020 No. 814**

**The Employment Rights Act 1996 (Coronavirus,  
Calculation of a Week's Pay) Regulations 2020**

**PART 2**

Calculation of a week's pay

**Calculation of a week's pay in relation to furloughed employees**

**3.—(1)** These Regulations prescribe the manner in which the amount of a week's pay<sup>MI</sup> is to be calculated in the case of an employee who is, or has been, furloughed (“E”), subject to paragraph (2), where—

- (a) E is entitled pursuant to section 53 or 54 of the Act to be paid remuneration for a period of absence to look for employment or arrange training as a result of a notice of dismissal given on or after the date on which E became furloughed, for the calculation of that remuneration under Part 6 of the Act,
- (b) E is entitled to payment pursuant to section 88 or 89 of the Act as a result of a notice to terminate E's contract of employment given on or after the date on which E became furloughed, for the calculation of that payment under Part 9 of the Act,
- (c) E is entitled pursuant to section 93 of the Act to be paid a sum as a result of a failure by their employer relating to the obligation to provide a written statement giving particulars of the reasons for E's dismissal, and the notice to terminate E's contract of employment was given or (if the dismissal was without notice) the date of termination was on or after the date on which E became furloughed, for the calculation of that sum under Part 9 of the Act,
- (d) E is entitled pursuant to section 117 of the Act to be paid an additional award of compensation as a result of a failure by their employer to comply with an order for reinstatement or re-engagement, and the notice to terminate E's contract of employment was given or (if the dismissal was without notice) the date of termination was on or after the date on which E became furloughed, for the calculation of that additional award under Part 10 of the Act,
- (e) E is entitled to an award of compensation for unfair dismissal calculated in accordance with sections 118 to 126 of the Act, and the notice to terminate E's contract of employment was given or (if the dismissal was without notice) the date of termination was on or after the date on which E became furloughed, for the calculation of that award under Part 10 of the Act,
- (f) E is entitled to a redundancy payment under Part 11 of the Act, and the notice to terminate E's contract of employment was given or (if the dismissal was without notice) the date of termination was on or after the date on which E became furloughed, for the calculation of that redundancy payment under Part 11 of the Act, and
- (g) E may be eligible for a redundancy payment in accordance with section 148 of the Act by reason of being laid off or kept on short-time on or after the date on which E became

furloughed, for the assessment of whether E is to be taken to be kept on short-time for a week in accordance with section 147(2) of the Act.

- (2) These Regulations only apply—
- (a) in a case where regulation 4 applies, where the calculation date is on or before [<sup>F1</sup>[<sup>F2</sup>30th September] 2021],
  - (b) in a case where regulation 5, 6 or 8 applies, where the relevant period, within the meaning given in regulation 5, 6 or 8 (as the case may be), includes a week when E was furloughed.
- (3) For the purposes of paragraph (1), “the date of termination” means the date on which termination of E's contract of employment takes effect.

- F1** Words in reg. 3(2)(a) substituted (18.11.2020) by [The Employment Rights Act 1996 \(Coronavirus, Calculation of a Weeks Pay\) \(Amendment\) Regulations 2020 \(S.I. 2020/1296\)](#), regs. 1, 4
- F2** Words in reg. 3(2)(a) substituted (30.4.2021) by [The Employment Rights Act 1996 \(Coronavirus, Calculation of a Week's Pay\) \(Amendment\) \(No. 2\) Regulations 2021 \(S.I. 2021/487\)](#), regs. 1(1), 4

---

**Commencement Information**

- I1** Reg. 3 in force at 31.7.2020, see reg. 1

---

**Marginal Citations**

- M1** See section 235(1) of the Act for the definition of a “week”.

**Normal working hours and remuneration does not vary with the amount of work done**

4.—(1) This regulation applies where E's remuneration fell within the description in section 221(2) of the Act (remuneration for employment in normal working hours which does not vary with the amount of work done) on the relevant date.

(2) The amount of a week's pay is the amount which is payable by the employer under E's contract of employment in force on the calculation date if E works throughout E's normal working hours in a week, and for these purposes—

- (a) E's normal working hours, in relation to any period during which E is furloughed, include E's furloughed hours, and
- (b) the amount which is payable, in relation to any period during which E is furloughed, is to be calculated disregarding any reduction in the amount payable as a result of E being furloughed.

(3) This regulation is subject to regulations 6, 9 and 10.

---

**Commencement Information**

- I2** Reg. 4 in force at 31.7.2020, see [reg. 1](#)

**Normal working hours and remuneration varies with the amount of work done**

5.—(1) This regulation applies where E's remuneration fell within the description in section 221(3) of the Act (remuneration for employment in normal working hours which varies with the amount of work done) on the relevant date.

(2) The amount of a week's pay is the amount of remuneration for the number of normal working hours in a week, calculated at the average hourly rate of remuneration payable by the employer to E in respect of the relevant period.

- (3) Where E is furloughed for any part of the relevant period—
  - (a) E's normal working hours in a week, in relation to that part of the relevant period, include E's furloughed hours, and
  - (b) for the purposes of the calculation of the average hourly rate of remuneration payable for the relevant period, the hourly rate of remuneration for that part of the relevant period is the hourly rate payable under E's contract of employment in force on the calculation date, disregarding any reduction in the amount payable as a result of E being furloughed.
- (4) For the purposes of this regulation, subject to regulation 7(3), the “relevant period” means the period of twelve weeks ending—
  - (a) where the calculation date is the last day of a week, with that week,
  - (b) otherwise, with the last complete week before the calculation date.
- (5) This regulation is subject to regulations 6, 9 and 10.

**Commencement Information**

**I3** Reg. 5 in force at 31.7.2020, see [reg. 1](#)

**Normal working hours and remuneration varies according to time of work**

**6.—(1)** This regulation applies where E's remuneration fell within the description in section 222(1) of the Act (remuneration for employment in normal working hours which varies according to time of work) on the relevant date.

(2) The amount of a week's pay is the amount of remuneration for the average number of weekly normal working hours at the average hourly rate of remuneration, where—

- (a) the average number of weekly normal working hours is calculated by dividing the total number of E's normal working hours during the relevant period by twelve, and
- (b) the average hourly rate of remuneration is the average hourly rate of remuneration payable by the employer to E in respect of the relevant period.

(3) Where E is furloughed for any part of the relevant period—

- (a) E's normal working hours, in relation to that part of the relevant period, include E's furloughed hours, and
- (b) for the purposes of the calculation of the average hourly rate of remuneration payable for the relevant period, the hourly rate of remuneration for that part of the relevant period is the hourly rate payable under E's contract of employment in force on the calculation date, disregarding any reduction in the amount payable as a result of E being furloughed.

(4) For the purposes of this regulation, subject to regulation 7(3), the “relevant period” means the period of twelve weeks ending—

- (a) where the calculation date is the last day of a week, with that week,
- (b) otherwise, with the last complete week before the calculation date.

(5) This regulation is subject to regulations 9 and 10.

**Commencement Information**

**I4** Reg. 6 in force at 31.7.2020, see [reg. 1](#)

### Calculation of the average hourly rate of remuneration

7.—(1) This regulation applies for the purposes of determining the average hourly rate of remuneration referred to in regulations 5 and 6.

(2) In relation to any part of the relevant period when E is not furloughed, only—

- (a) the hours when the E was working, and
- (b) the remuneration payable for, or apportionable to, those hours,

are taken into account.

(3) If the relevant period includes a week where—

- (a) E is not furloughed, and
- (b) no remuneration falling within paragraph (2)(b) was payable by the employer to E,

remuneration in earlier weeks is taken into account so as to bring up to twelve the number of weeks of which account is taken.

(4) If, in determining the average hourly rate of remuneration in relation to any part of the relevant period when E is not furloughed—

- (a) account is taken of remuneration payable for, or apportionable to, work done in hours other than normal working hours, and
- (b) the amount of that remuneration was greater than it would have been if the work had been done in normal working hours (or, in a case within section 234(3) of the Act, in normal working hours falling within the number of hours without overtime),

that remuneration is taken into account as if the work had been done in such hours and the amount of that remuneration had been reduced accordingly.

#### Commencement Information

**I5** Reg. 7 in force at 31.7.2020, see [reg. 1](#)

### No normal working hours

8.—(1) This regulation applies where E's working hours fell within the description in section 224(1) of the Act (no normal working hours for employee under employee's contract of employment) on the relevant date.

(2) The amount of a week's pay is the amount of E's average weekly remuneration in the relevant period.

(3) For the purposes of the calculation of E's average weekly remuneration—

- (a) subject to sub-paragraphs (c) and (d) the “relevant period” means the period of twelve weeks ending—
  - (i) where the calculation date is the last day of a week, with that week,
  - (ii) otherwise, with the last complete week before the calculation date,
- (b) where E is furloughed for any part of the relevant period, the amount of E's weekly remuneration attributable to being furloughed is the amount that would have been payable to E in accordance with the Coronavirus Job Retention Scheme if—
  - (i) the amount was calculated in relation to E's reference salary,
  - (ii) for that purpose the full amount of E's reference salary had been used, and
  - (iii) the Scheme cap did not apply,

- (c) in relation to any part of the relevant period during which E is not furloughed, no account is to be taken of a week in which no remuneration was payable by the employer to E, and
  - (d) where sub-paragraph (c) applies, remuneration in earlier weeks, is to be taken into account so as to bring up to twelve the number of weeks of which account is taken.
- (4) For the purposes of paragraph (3)(b)—
- (a) “reference salary” has the meaning given in the Coronavirus Job Retention Scheme <sup>M2</sup>, and
  - [<sup>F3</sup>(b) “Scheme cap” means the amount of—
    - (i) £2,500 per month (or the appropriate pro-rata), or
    - (ii) £576.92 per week,as applicable, specified in relation to qualifying costs in the Coronavirus Job Retention Scheme.]
- (5) This regulation is subject to regulations 9 and 10.

**F3** Reg. 8(4)(b) substituted (30.4.2021) by [The Employment Rights Act 1996 \(Coronavirus, Calculation of a Week's Pay\) \(Amendment\) \(No. 2\) Regulations 2021 \(S.I. 2021/487\)](#), regs. 1(1), 5

**Commencement Information**

**I6** Reg. 8 in force at 31.7.2020, see reg. 1

**Marginal Citations**

**M2** For an explanation of the relevant calculation of reference salary in relation to the period ending with 30th June 2020, see paragraph 7 of the Schedule to the second CJRS Direction (in particular paragraph 7.2); and in relation to the period beginning with 1st July 2020 and ending with 31st October 2020, see paragraphs 18, 19.1, and 20.1 of the Schedule to the third CJRS Direction.

**Maximum amount**

**9.** The amount of a week's pay calculated under this Part is subject to section 227(1) of the Act (maximum amount) <sup>M3</sup>.

**Commencement Information**

**I7** Reg. 9 in force at 31.7.2020, see [reg. 1](#)

**Marginal Citations**

**M3** [Section 227\(1\)](#) was amended by paragraph 47 of Schedule 7 to the [Employment Act 2002 \(c. 22\)](#), [paragraph 9](#) of Schedule 1 to the [Apprenticeships, Skills, Children and Learning Act 2009 \(c. 22\)](#), and by [S.I. 2020/205](#).

**New employments**

**10.—(1)** In any case in which E has not been employed for a sufficient period to enable a calculation to be made under this Part, the amount of a week's pay is the amount which fairly represents a week's pay.

- (2) In determining that amount, the employment tribunal—
  - (a) must apply as nearly as may be such of the preceding regulations in this Part as it considers appropriate, and

- (b) may have regard to such of the considerations specified in section 228(3) of the Act as it thinks fit.

.....  
**Commencement Information**

**18** Reg. 10 in force at 31.7.2020, see [reg. 1](#)

**Supplementary**

**11.**—(1) In determining under this Part—

- (a) an average hourly rate of remuneration, or
- (b) average weekly remuneration,

E's work for a former employer within the period for which the average is to be taken is taken into account if, by virtue of Chapter 1 of Part 14 of the Act, a period of employment with the former employer counts as part of E's continuous period of employment.

(2) Where account is taken of remuneration or other payments for a period which does not coincide with the periods for which the remuneration or other payments are calculated, the remuneration or other payments are apportioned in such manner as may be just.

.....  
**Commencement Information**

**19** Reg. 11 in force at 31.7.2020, see [reg. 1](#)

**Changes to legislation:**

There are currently no known outstanding effects for the The Employment Rights Act 1996 (Coronavirus, Calculation of a Week's Pay) Regulations 2020, PART 2.