A furloughed employee can take part in volunteer work or training, as long as it does not provide services to or generate revenue for, or on behalf of the employer.  Training in this context includes apprenticeship off-the-job training. Where their provider can continue to deliver training remotely, a furloughed apprentice can therefore continue their apprenticeship whilst furloughed.

Where training is undertaken by furloughed employees, at the request of the employer, they are entitled to be paid at least their appropriate national minimum wage for this time. In most cases, the furlough payment of 80% of an employee’s regular wage, up to the value of £2,500, will provide sufficient monies to cover these training hours. However, where the overall time spent training, during the furlough period, attracts a minimum wage entitlement in excess of the furlough payment, employers will need to pay the additional wages. This is because time spent training is treated as working time for the purposes of the minimum wage calculations and therefore must be paid at the appropriate rate, taking into account the increase in minimum wage rates from 1 April 2020.

Employers should consider the hours that an employee is expected to train during the period of the furlough (which must be a three-week minimum). Employers will need to ensure that the furlough payment provides sufficient monies to cover these training hours. Where the entire furlough payment equates to less than the appropriate minimum wage entitlement for the training hours during the furlough period, the employer will need to pay the additional wages to ensure at least the appropriate minimum wage is paid for the time spent training.

Our worked examples show how to calculate whether the furlough payment equates to less than the appropriate minimum wage entitlement for time spent training.

Example 1:

18 year old first year apprentice is on a 37 hours per week contract and has been furloughed.  They are continuing to training for 1 day per week (7.5 hours per week).

In terms of the National Minimum Wage Regulations they are entitled to £4.15 for every hour they train. (Note that the NMW legislation does not apply to time not in work or training).

Over the 3 week furlough period (the pay reference period) this amounts to a NMW entitlement of £93.38 (£4.15 x 7.5 hours x 3 weeks).

The 80% furlough payment that they have received from their employer is £368.  This furlough payment provides sufficient money to cover these training hours.

Example 2:

22 year old second year apprentice is on a 37 hours per week contract and has been furloughed.  They have agreed, with their employer and provider, to train for 4 days per week (7.5 hours per day) (to cover as much off-the-job training as possible during this period).

In terms of the National Minimum Wage Regulations they are entitled to £8.20 for every hour they train.  (Note that the NMW legislation does not apply to time not in work or training).

Over the 3 week furlough period (the pay reference period) this amounts to a NMW entitlement of £738 (£8.20 x 7.5 hours x 4 days x 3 weeks).

The 80% furlough payment that they have received from their employer is £728.16.  This furlough payment does not provide sufficient money to cover these training hours and the employer would need to top up the difference (£9.84).

\*Note is both cases above the apprentice, prior to furlough, was paid at/close to the National Minimum Wage.