

UK FAQs: Furloughing and Administration – Key Considerations for Administrators

Article By:

Rachael Markham

It is not entirely clear how the UK Coronavirus Job Retention Scheme operates in line with current UK insolvency legislation, although it is clear that administrators can use the scheme and furlough employees.

We have produced an [alert](#) that answers some of the key questions for administrators looking at whether employees should be furloughed or remain on furlough, whether employees can be furloughed, when an administrator might adopt an employment contract, concerns over holiday pay and the complication of contacting and obtaining employee consent to vary their employment contract.

Following the UK Chancellor announcing that the scheme will be extended until September, the ability to furlough or keep staff furloughed whilst the UK starts to unlock its economy remains a key consideration for administrators when deciding whether the business can be rescued.

Further reading:

See our previous blogs regarding the interaction of the furlough scheme and administration in the cases of [Carluccio's](#) and [Debenhams](#).

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