

## COVID 19

Below is an outline of topics designed to assist you in making the best decisions for your company and employees. Everything is changing quickly and this is based on what is currently available. We will keep you updated as the situation changes and of course, please feel free to reach out with any specific questions. Every situation is unique.

### **Communications with Employees:**

- Number one priority in this situation continues to be the safety of your employees.
- It is crucial to regularly communicate with your employees regarding the status of office closures, layoffs, pay or any other updates that affect your business.
- Make sure you have cell phone and/or personal email addresses to communicate outside work hours.
- Consistent with the Governor's order, all employees **older than 65 or those with a chronic illness** should not return to work. These employees should work from home if possible, or if they are unable to work from home, let them know who they should contact to discuss their options for taking time off.
- All other employees should work from home if they are able to do so. If employees still need to come to work, they should follow the CDC's recommended social distancing requirements and stay at least 6 feet away from others. Advise employees to stay in their office or designated workspace as much as possible, and not to congregate in meal or break areas.
- Note that if the "Shelter in Place" order extends to your county, most employees will be required to stay home and will be unable to come to work. Certain workplaces considered essential are allowed to remain open. A list of the Essential Businesses are attached to this communication.
- All in person meetings should be cancelled if possible and phone conference or webinars should be used instead.
- Advise employees to immediately notify you if they develop symptoms of COVID-19 or are exposed to someone who has tested positive for COVID-19.
- Ensure that you have updated contact information for all employees and you are able to reach them when they are outside the office to provide necessary information.

### **Reduction in Hours or Pay and Layoffs:**

- If a reduction in force or pay is necessary, let your employees know as soon as possible.
- Whether a temporary closure results in a furlough (with the idea of employees returning on a certain date) or a layoff (uncertain date of return, if ever) can impact whether accrued vacation/PTO needs to be paid out. With so much uncertainty, our general recommendation is to pay out the accrued time, but financial constraints may make this impracticable.
- You can reduce hours for non-exempt employees and reduce work schedules as needed. You do not need to pay out any accrued PTO for employees in order to make up the difference in hours.
- You can also reduce salaries for your exempt employees, as long as the reduction in salary does not result in the employees getting paid less than the minimum threshold required for employees to retain their exempt status. Currently the minimum threshold for exempt employees is \$54,080 per year for employers with 26 or more employees and \$49,920 for employers with less than 26 employees. This reduction can be made before the beginning of a full workweek.

- Talk with your insurance broker about continuing health benefits for employees on furlough and or a temporary layoff situation.
- Make preparations for how you will continue to receive mail at your office or do other essential functions as needed during the period when you have a reduced work force. If your office needs to close temporarily, make sure clients and customers are notified.

### **Employer Resources:**

- The Employment Development Department (“EDD”) has a helpful website with information about the COVID 19 impacts:  
[https://www.edd.ca.gov/about\\_edd/coronavirus-2019.htm](https://www.edd.ca.gov/about_edd/coronavirus-2019.htm)
- Employers might be able to avoid potential layoffs by participating in the Unemployment Insurance Work Sharing Program, which allows you to retain your workers by reducing their hours and wages no more than 60 percent and partially offsetting the wage loss with UI benefits. More information can be found here:  
[https://www.edd.ca.gov/unemployment/Work\\_Sharing\\_Program.htm](https://www.edd.ca.gov/unemployment/Work_Sharing_Program.htm).
- There is pending legislation at the Federal level that may expand FMLA leave and paid sick time leave for employees that need to take time off due to the coronavirus. We will keep you updated as soon as the emergency law is finalized.

### **Employee Resources:**

- Employees who are unable to work due to having or being exposed to COVID-19 can apply for disability insurance through the state. The Governor’s order waived the one-week waiting time period so employees can collect disability insurance during their first work off of work.
- Employees who are unable to work because they are caring for an ill or quarantined family member with COVID-19 can apply for Paid Family Leave (“PFL”), which provides up to 6-weeks of benefit payments for eligible employees.
- Employees who have to miss work to care for their children due to school closures caused by the coronavirus outbreak may be qualified to received unemployment insurance benefits. The Governor’s order also waived the one-week waiting time period for unemployment insurance.
- Employees who have reduced hours or lose their jobs (either permanently or in a temporary layoff) can apply for unemployment insurance as well. The Governor’s order waived the one-week waiting time period for unemployment insurance so employees can collect unemployment in their first week out of work.
- Employees can access the EDD website for answers to FAQs regarding the various benefits they may be entitled to: [https://www.edd.ca.gov/about\\_edd/coronavirus-2019/faqs.htm](https://www.edd.ca.gov/about_edd/coronavirus-2019/faqs.htm).

Our goal is to help you navigate this difficult situation. Feel free to reach out if you have specific questions.

## **From the March 16, 2020 Six County “Shelter in Place” Order**

f. For the purposes of this Order, “Essential Businesses” means:

i. Healthcare Operations and Essential Infrastructure;

ii. Grocery stores, certified farmers’ markets, farm and produce stands, supermarkets, food banks, convenience stores, and other establishments engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, pet supply, fresh meats, fish, and poultry, and any other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries and also sell other nongrocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences;

iii. Food cultivation, including farming, livestock, and fishing; iv. Businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals;

v. Newspapers, television, radio, and other media services;

vi. Gas stations and auto-supply, auto-repair, and related facilities;

vii. Banks and related financial institutions;

viii. Hardware stores;

ix. Plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, Essential Activities, and Essential Businesses;

x. Businesses providing mailing and shipping services, including post office boxes;

xi. Educational institutions—including public and private K-12 schools, colleges, and universities—for purposes of facilitating distance learning or performing essential functions, provided that social distancing of six-feet per person is maintained to the greatest extent possible;

xii. Laundromats, drycleaners, and laundry service providers;

xiii. Restaurants and other facilities that prepare and serve food, but only for delivery or carry out. Schools and other entities that typically provide free food services to students or members of the public may continue to do so under this Order on the condition that the food is provided to students or members of the public on a pick-up and take-away basis only. Schools and other entities that provide food services under this exemption shall not permit the food to be eaten at the site where it is provided, or at any other gathering site;

xiv. Businesses that supply products needed for people to work from home;

xv. Businesses that supply other Essential Businesses with the support or supplies necessary to operate;

xvi. Businesses that ship or deliver groceries, food, goods or services directly to residences;

xvii. Airlines, taxis, and other private transportation providers providing transportation services necessary for Essential Activities and other purposes expressly authorized in this Order;

xviii. Home-based care for seniors, adults, or children;

xix. Residential facilities and shelters for seniors, adults, and children;

xx. Professional services, such as legal or accounting services, when necessary to assist in compliance with legally mandated activities;

xxi. Childcare facilities providing services that enable employees exempted in this Order to work as permitted. To the extent possible, childcare facilities must operate under the following mandatory conditions:

1. Childcare must be carried out in stable groups of 12 or fewer (“stable” means that the same 12 or fewer children are in the same group each day).
2. Children shall not change from one group to another.
3. If more than one group of children is cared for at one facility, each group shall be in a separate room. Groups shall not mix with each other.
4. Childcare providers shall remain solely with one group of children. g. For the purposes of this Order, “Minimum Basic Operations” include the following, provided that employees comply with Social Distancing Requirements as defined this Section, to the extent possible, while carrying out such operations:
  - i. The minimum necessary activities to maintain the value of the business’s inventory, ensure security, process payroll and employee benefits, or for related functions.
  - ii. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.