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Employment Update: COVID 19
Posted March 16, 2020

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
- 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.
- 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.

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