



Options for Workforce Reduction During Coronavirus

Layoff

✓ PROS:

Reduces payroll expense and obligations to pay FMLA or sick leave per the Coronavirus Families First Act (effective April 2, 2020)

Employees can apply for unemployment

Colorado employees can seek health insurance benefits (instead of COBRA) through Connect for Health Colorado connectforhealthco.com

✗ CONS:

Employers must pay all PTO and vacation accrued at time employee is laid off

A mass lay off might trigger notice obligations under federal and state WARN Acts

Caution: Do Not Discriminate When Determining Who to Lay Off

Lay off based on performance, under-utilization, or overhead

Document business reasons for each lay off

Review for disparate treatment

Short-term, Unpaid Leave Due to Lack of Work (Furlough)

Reduces payroll expense in the short term

Keeps workforce intact for the long-term

Employees do not need to be completely off-boarded and onboard on return to work

Employees may be able maintain benefits

Caution: Check with medical benefits to determine how long an employee may be eligible to stay an unpaid employee of the company and still maintain benefits

Provide employees short term leave paperwork stating they are not entitled to back pay for time spent on unpaid leave and employment remains "at-will"

Employees cannot work at all on unpaid leave;

Employers must timely pay full payroll through date employees are put on leave;

Employers must still pay earned PTO and vacation at full rate levels;

Unclear if furloughed employees are eligible for unemployment benefits - encouraged to apply: [Click here](#).

Reduce Employees' Hours and Pay

Reduces payroll expense in the short term;

Keeps workforce intact;

Can make it voluntary.

Exempt employees must be paid at least \$685/week; non-exempt \$12/hr

Employers need to set work schedules, percentages of pay and micromanage the reduced hours to ensure no additional hours or work are being requested and required without pay

Considerations for an Active Workforce

Practice OSHA standards: [See news release](#); [Download PDF](#)

Offer as much work as possible via telework – reduce risk and exposure

Employers can take temperature: [See news release](#).

Employees refusing to show up to work because coronavirus may be terminated but check updates