

Employer Resources from April 22, 2020 webinar *Leading Through COVID-19*



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Three Suggestions to Avoid Involuntary Layoffs in the Workplace

1. Apply for State-Sponsored Work-Share Programs. When times are tough, Work Share provides Oregon businesses an alternative to layoffs. This streamlined program allows employers to leverage unemployment insurance to subsidize a portion of lost wages for employees whose work time is reduced due to market downturns or other business stressors.

What is the Work Share Program? Work Share is a program that offers an alternative to laying off your workforce. It allows you to keep skilled employees during slow times by reducing work hours. Eligible staff whose hours and wages are reduced receive a portion of their regular unemployment insurance benefits to compensate for the lost wages.

Work Share Eligibility

- Employees must qualify for Oregon unemployment insurance benefits.
- The plan must cover at least three employees.
- The normal weekly hours of work and wages are reduced at least 20%, but not more than 40%.
- Employees under the plan must have worked for you continuously for six months on a full-time basis, or for one year on a part-time basis before you submit the Work Share plan.
- Work Share plans cannot last more than one year.
- A worker can receive up to 52 weeks of Work Share benefits under a plan. The Work Share payments a worker receives are deducted from the available maximum benefit amount on their Unemployment Insurance claim. If there is a remaining balance, the worker may be able to draw regular benefits if needed, as long as they are otherwise eligible to receive them.
- Workers who've used all of their regular benefits or have an Unemployment Insurance claim against another state cannot receive Work Share benefits.
- Work Share benefits are not paid if the employee works more than the reduced hours that are not within the 20 to 40 percent limitation. It may be possible for a worker to qualify for regular benefits under these circumstances if their earnings are less than their weekly benefit payment amount, and they work less than 40 hours.
- The employee must be available for work to the Work Share employer.

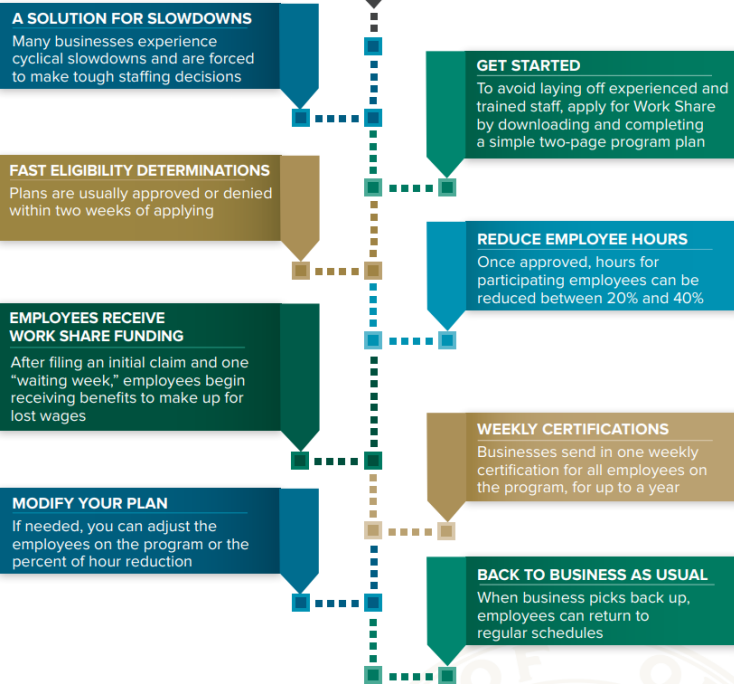
IMPORTANT NOTICES

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HELPING YOU STRATEGIZE. INSTEAD OF DOWNSIZE.

HOW TO AVOID LAYOFFS WITH OREGON WORK SHARE



<https://www.oregon.gov/employ/businesses/workshare/pages/work%20share%20home%20page.aspx>

2. Allow Salaried Workers to Take Voluntary Unpaid Leave in Increments. Some employees may take an offer for voluntary unpaid leave (which can also be framed as a sabbatical or a career pause). And salaried employees could agree to take a voluntary leave one day (or more) per week to reduce costs. As always, employers should be mindful that the voluntary unpaid leave rules are strict for exempt employees. Voluntary leave for exempt employees can be unpaid if the employee takes time off for a full day of work for personal reasons, and the decision is completely voluntary.

3. Offer a Voluntary Separation or Early Retirement Package. Employees may be incentivized to leave the workforce with a voluntary separation package. A voluntary separation package allows the employer to reduce overhead costs associated with employing the person and also eliminates the employee's salary from future costs. The highest-paid employees are usually those that have been at the company for the longest and therefore are closer to retirement. If employers can incentivize these employees (many of whom may have started contemplating retirement already) to retire early, cost savings can be realized. Certain job duties handled by departed employees can be transitioned to other workers with less on their plate due to the downturn. By no means, however, should any employer pressure older employees to retire. This must be completely voluntary. Before you consider an early retirement package, please consult a lawyer to ensure compliance with the Age Discrimination in Employment Act or the Older Workers' Benefit Protection Act.

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