Virtual Town Hall
Workforce Planning during COVID-19 Crisis: Freezes, Furloughs & Layoffs

Monday, April 6, 2020
12:00 – 1:15 pm (Eastern)

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Virtual Town Hall
COVID-19 & Workforce Planning

Today’s Presenters

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Presented by Nonprofit HR in collaboration with Venable, LLP

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Today’s Focus

- Analyzing workforce planning options
- Considering legal implications
- Understanding the WARN Act
- Avoiding benefit compliance pitfalls
- Surviving on the other side
- Q&A

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Workforce Planning: The Big Picture

The process an organization uses to analyze its workforce and determine steps to prepare for future staffing needs

--The Society for HR Management
Workforce Planning: The Big Picture

The HCI Strategic Workforce Planning Model

- Business Strategy
- Monitor and Report
- Action Planning
- Gap Analysis
- Futuring (No Change Future State, Scenario Planning, Targeted Future State)
- Segment Roles
- Environmental Scan
- Current State Analysis
- Nonprofit HR
Defining Workforce Reduction Options

- Hiring freezes
- Furloughs & salary reductions
- Layoffs
- Position Eliminations
Considering Alternatives to Workforce Reductions

- Salary & bonus rollbacks
- Salary & bonus freezes
- Benefit reductions (e.g. 401K matching)
- Job-sharing
Ensuring Compliance during Workforce Reductions

1. Review employment agreements
2. Conduct EEO disparate impact analysis
3. Determine applicability of WARN (Workers’ Adjustment & Retraining Notice) Act
4. Comply with state-required termination notices
5. Create/review draft releases/waivers/severance agreements
6. Comply with state final pay requirements
Employee Benefit Considerations

• There is no government mandate that dictates what benefits must be offered under a furlough vs. layoff. Typically a furlough means that some benefits (determined by employer) may continue (health and life insurance).

• If your organization is considering furlough, connect with your broker or carriers to discuss the impact of the benefit programs you decide to continue and determine how employees will pay premiums while on furlough (check, paypal, etc.).

• COBRA - should be offered to staff that are laid off or furloughed (based on employer decision to offer health insurance). To help offset cost, perhaps offer severance to cover payments.
Employee Benefit Considerations

• Retirement plans – reducing employer contributions must be reflected in new plan language. If considering furloughing employees be sure to seek guidance on how partial terminations and vesting issues, service credits, deemed distribution consequences could impact employees and plan compliance.

• Accrued Leave – could be used to pay staff during furlough or must be paid according to PTO policy if laid off

• Unemployment Insurance – while regulations vary by state, the federal government allows employees furloughed due to COVID-19 to apply for and receive unemployment insurance.
Employee Benefit Considerations

- Workers’ compensation – claims continue regardless of employee status
- Work with insurance broker to determine how layoff or furlough will impact benefit plan renewal rates
Surviving on the Other Side

• Communicate, communicate, communicate and then communicate more!
• Acknowledge the emotional and physical challenges of staff remaining with the organization
• Utilize programs that are in place (e.g. EAP)
• Workloads don’t decrease... but teamwork, productivity and innovation may stall
• Encourage staff to continue workplace friendships
Important Takeaways

1. Focus on staff retention.
2. Determine viability of workforce reduction alternatives.
3. Design multiple workforce reduction plans so they’re actionable, if/when needed.
4. Stay compliant.
5. Consider impact to benefit plan compliance and staff eligibility.
6. Communicate plans with staff.
7. Acknowledge “survivors’ guilt.” Continue support to remaining staff.

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COVID-19 Trustworthy Resources

• General Updates:
  • CDC travel notices
  • CDC COVID-19 webpage
  • WHO COVID-19 webpage
  • Live news updates from the New York Times, CNN and Washington Post

• Workforce planning resources:
  • US Department of Labor webpage webpage

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Questions?
Reach out to Nonprofit HR at info@nonprofithr.com

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