

Worker Layoffs Due to COVID-19: What You Need to Know

The Worker Adjustment and Retraining Notification (WARN) Act offers protection to workers and their families in advance of mass layoffs and business closings. Federal law requires these employers to provide at least 60 DAYS NOTICE to the employees and certain government agencies and officials – but did you know there are THREE EXCEPTIONS to the 60-day requirement?

1

Faltering Company

This exception covers situations where a company has sought new capital or business to stay open and where giving notice would ruin the opportunity to get the new capital or business. This exception applies only to plant closings.

2

Unforeseeable Business Circumstances

This exception applies to both closings and layoffs that are caused by business circumstances that were not reasonably foreseeable at the time notice would otherwise have been required. **These are circumstances that are typically caused by some sudden, dramatic, and unexpected action or condition outside the employer's control - such as the outbreak of the coronavirus.**

3

Natural Disaster

This applies where a closing or layoff is the direct result of a natural disaster, such as a flood, earthquake, drought or storm.

Notice must be provided as soon as is practicable even when these exceptions apply, and the employer must provide a statement of the reason for reducing the notice requirement, in addition to fulfilling other notice information requirements. Notice must be provided via email, fax or mail to the contact below, as well as to the chief local elected government official.

Rapid Response Contact Information

Email: LEO-RapidResponseCommunications@Michigan.gov

Phone: 517-930-4169 *Fax:* 517-241-9846

Mailing Address: Jimelle Blakley, Administrative Manager,
201 N. Washington Square, Lansing, MI 48933

More information about the Worker Adjustment and Retraining Notification Act can be found on the U.S. Department of Labor Employment and Training Administration website, dol.gov/agencies/eta/layoffs/warn.

OTHER OPTIONS & RESOURCES FOR MICHIGAN BUSINESSES

Michigan Works! Business Services

The statewide network of Michigan Works! Agencies offers a myriad of services that assist businesses and industry sectors in overcoming the challenges of recruiting, retaining, and developing talent. For more information, please contact 1-800-285-9675.

Work Share

If employers are financially distressed but hope to continue operations by cutting back hours, they are encouraged to use the Unemployment Insurance Agency's Work Share program that allows employers to maintain employment levels and business operations rather than laying off workers. More information about the program can be found at Michigan.gov/Workshare.

Temporary Leave

As opposed to termination, employers are strongly urged to place employees on temporary leave and advise the worker that they expect to have work available within 120 days. There is no additional cost to employers, employees remain eligible for UI benefits through the state, and employees may remain eligible for potential federal assistance.

Elimination of Certain Unemployment Costs to Employers

Under the governor's recent order, an employer or employing unit must not be charged for unemployment benefits if their employees become unemployed because of an executive order requiring them to close or limit operations.

Other Resources

The Michigan Economic Development Corporation's call center stands ready to support businesses looking for assistance through other available state programs. For more information, visit the MEDC's website: MichiganBusiness.org or call 888-522-0103.

The Michigan Small Business Development Center can also provide resources for small businesses impacted by COVID-19. Visit their website at SBDCmichigan.org/small-business-covid19/ for additional information.

Information around this outbreak is changing rapidly. The latest information is available at Michigan.gov/Coronavirus and CDC.gov/Coronavirus.