Coronavirus - Information for Connecticut Employers

Employers faced with the coronavirus and are advised to take steps to reduce its contagion are considering shut-downs or layoffs. Other employers dealing with the collapse of parts of the economy are also considering shut-downs and layoffs. Questions have arisen regarding the applications of the WARN Act to such closings.

The Worker Adjustment and Retraining Notification (WARN) Act is a federal law that requires covered employers that are preparing for a business closing or mass layoff to give affected employees at least sixty (60) calendar days advance notice of the impending employment action.

The WARN Act applies to employers with

a) One hundred (100) or more employees, excluding part-time employees; or
b) One hundred (100) or more employees (including part-time employees) who, in the aggregate, work at least four thousand (4,000) hours/week (excluding overtime hours).

Employees must be given the notice of the impending layoff if there is a “plant closing” or a “mass layoff.”

Plant Closing: is the permanent or temporary shutdown of a “single site of employment” or of one or more “facilities or operating units” within a single site if the shutdown results in an “employment loss” affecting fifty (50) or more employees (excluding part-time employees) during any thirty (30) day period.

Mass Layoff: is a reduction in force that is not the result of a plant closing, but does result in “employment loss” at a “single site of employment” in any thirty (30) day period, for:

a) At least thirty-three percent (33%) of active employees, excluding part-time employees; and
b) At least fifty (50) employees, excluding part-time employees.

EXCEPTION: The WARN notice is not required if the plant closing or the mass layoff is the result of “unforeseen business circumstances.” Nor is the WARN notice required if the plant closing or mass layoff is the result of a “natural disaster.

The economic conditions brought on by the coronavirus would certainly be considered “unforeseen business circumstances” and the virus itself could be considered a “natural disaster.”

In short, WARN does not apply to shut-downs and layoffs in response to the coronavirus of the economic conditions brought on by the virus.
If you have any questions about this or any other employment issue, please feel free to contact Bernard E. Jacques at bjacques@mdmc-law.com.

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