



ACEC Navigating Your Small Firm Through the COVID-19

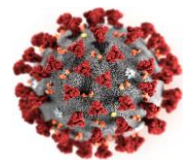
April 2, 2020

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COVID-19 Challenging Times – Agenda



- Communication is Critical
- Managing and Engaging Your Workforce
- FFCRA (Families First Coronavirus Response Act) - Employee Paid Leave and Medical Leave Act
- CARES Act (Coronavirus Aid, Relief, and Economic Security Act) Retirement Plans, Student Loan Repayments, Health Plans, Executive Compensation, Payroll Tax – related info.
- COVID-19 Your Firm's Checklist
- Changes to our Workplace and Workforce – What does the future hold?



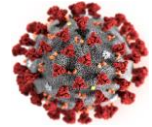
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COVID-19 – Communication is Critical



- Create a communications' strategy/plan (the more the better) with staff and clients; update website; use social media
- Leadership team meet daily
- Conduct weekly board meetings
- Identify scenarios for firm's future plans
 - Overhead expenses, freeze on bonuses and/or raises, furloughs, lay-offs, hiring
 - Recognize FLSA (wage and hourly laws for exempt and non-exempt)



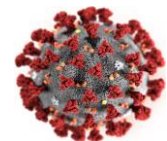
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COVID-19 – Communication is Critical (Continued)



- Provide guidance to managers on communicating with staff
 - Daily check-ins
 - Weekly updates on projects and/or regular project debriefs
 - Weekly town halls
 - Daily communication from leadership to staff (end of day/beginning of day)
- Identify a central resource to capture concerns, questions, issues



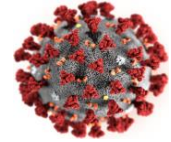
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COVID-19 – Managing and Engaging Your Workforce



- Set expectations: Communicate with employees (daily check-ins); set daily and weekly goals
- Hold staff/studio/team meetings on weekly basis
- Hold virtual meetings vs. phone calls, emails
- Request daily timesheets to project/plan workload
- Share calendars (SharePoint)
- Recognize employees are balancing
 - 24/7 vs the standard 8-5 workday (***8-5 may not be the standard work-day especially for working parents***)
- Be flexible; ask your employees what will work for them
- Ensure employees have the technology tools needed to perform their jobs



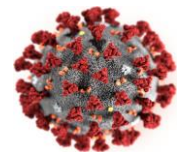
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COVID-19 – Managing and Engaging Your Workforce



- Create virtual lunch/learn sessions on technical and non-technical topics
- Enlist your trainers, consultants and EAP provider to assist with health/wellness activities and education (i.e., stress management, virtual exercise classes, meditation/yoga; encourage employees to move every day)
- Identify an advocate or committee to continue to create initiatives, activities for all staff; identify fun activities (virtual workspace contests, virtual pot-luck lunch meetings, birthday celebrations, favorite baseball sports jerseys, etc.)
- Conduct a short 30-day, 60-day online survey to check-in with employees and monitor revised practices



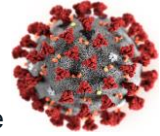
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COVID-19 - FFCRA – Emergency Family and Medical Leave Expansion Act



- Two weeks (up to 80 hours) of **paid sick leave** at the employee's regular rate of pay where the **employee is unable to work because the employee is quarantined**, or
- Two weeks (up to 80 hours) of **paid sick leave** at two-thirds the employee's regular rate pay because the **employee is unable to work because of a bona fide need to care for an individual subject to quarantine**
- Up to an additional 10 weeks of **paid expanded family and medical leave** (Emergency Family and Medical Leave Expansion Act (EFMLA)) at two-thirds the employee's regular rate of pay where an **employee, who has been employed for at least 30 calendar days, is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19. First 10 days are unpaid but may use paid sick leave or PTO.**



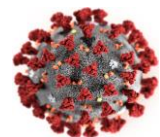
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COVID-19 - FFCRA – a few specifics



- **Effective date:** Applies to leave taken April 1st through December 31st, 2020
- **Applies** to organizations with less than 500 employees
 - Exception: If under 50 employees, the organization may qualify for small business exemption
- **Who is eligible:** Applies to both full-time and part-time (pro-rated) employees (*see DOL resource document for calculation for part-time employees*)



Implementation guidelines will be provided by DOL

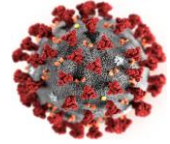
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COVID-19 – Other Leave Practices



- Utilize current leave practices for staff
- Create PTO banks
- Ask employees to ‘voluntarily’ cut hours to the “minimum” hours to stay on “benefits plan”



Caution – For exempt staff – do not treat them like hourly employees

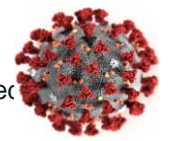
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COVID – 19 – CARES Act: Other Related Benefits



- **Testing for COVID-19:** All group health plans must cover the full costs of diagnostic testing (regardless of employer size, whether fully-funded or self-funded plans, and whether high-deductible or traditional plans)
 - Testing cannot be subject to co-pays, coinsurance, deductibles or pre-authorization requirements
- If employee is eligible for paid sick time under the EPSL Act, the employer should continue their health plan (similar to FMLA or EFMLA-covered employee)
- Continue **HSA** Employer contributions during furlough, FMLA, EFMLA, etc.
- **Cafeteria plans** – employees can change elections since schools and childcare centers may be closed; see *DOL website for more info.*



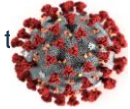
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COVID – 19 – CARES Act: Other Related Benefits



- **Short Term Disability Plans** – need to have a diagnosis of COVID-19 virus (similar to any other diagnosis) to receive benefits; *see DOL website for more info.*
- **Retirement Plan** changes– will depend on type of plans; *see plan documents*
 - IRS has not changed the rules for **401-k hardship** withdrawals during this time – *See DOL website for more info.*
 - **Partial Plan Termination** – IRS presumes that your qualified plan has undergone a “partial termination” if the turnover rate of your plan participants is at least 20%; *see plan documents*
- **Payroll tax credit** for paid sick time and EMFLA leave – check with your tax accountant; more information on this to follow in coming weeks
- **Unemployment Insurance** – *See specifics on both State and Federal DOL*



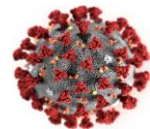
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COVID-19: Your Firm’s Checklist



- ✓ Develop a **leadership contingency plan** (temporary back-up for key leaders)
- ✓ Update and/or create **related policies and procedures (tele-work, flexible hrs., exposure procedure)** and communicate and distribute to staff (add topic to weekly and/or town hall meetings)
- ✓ If there is a reduction in hours for specific individuals and/or groups; create communication piece to provide to impacted employee(s)
- ✓ **Tele-work** policies (update and/or create)
- ✓ Post **FFCRA notice** (virtually) and eventually “physically” in office location
 - ✓ For specific questions and clarification, go to DOL website, contact attorney, etc.
- ✓ Reach out and coordinate with vendors on **benefits** (Benefit Providers, insurance carriers, 401k etc.) on specifics on plans and discuss changes and amendments



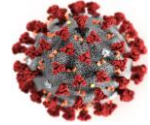
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COVID-19: Your Firm's Checklist



- ✓ Reach out to **employment attorney** on specifics related to the new Act and other workplace issues
- ✓ **Re-assess** new hires and college recruits
 - Extend timeline for new hires (if necessary);
 - Communicate regularly with interns and new recruits (*even if specific dates are not determined*)
 - Create a virtual on boarding; assign a virtual buddy for new hires
- ✓ **Continue thinking creatively** on how to engage your team (ask employees to help with ideas)
- ✓ Involve employees in **community** (*where they can add value, but protect from the virus*)



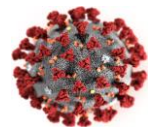
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COVID-19: Your Firm's Checklist



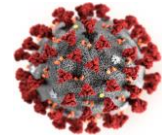
- ✓ *Continue to focus on the **health and wellness** of your employees*
 - *Virtual exercise classes*
 - *Identify specific days and/or times of the week for activities (coffee-hour, happy hour, etc.)*
- ✓ Create, communicate and practice social distancing guidelines at work (On-site (office,field,etc.) –(see *SHRM* for more info.)



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COVID-19 Changes to our Workforce and Workplace



- Recognize that changes are being made daily; plan for continuous change
- What will our workplace and **workforce** look like **tomorrow**?
 - The way we do our work
 - Where we do our work
 - The way we communicate with our staff, our clients, etc.
- Lots of **unknowns**; recognize that there are numerous resources to help navigate our way through these challenging times
- Stay tuned!!

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Resources, Questions & Wrap Up



Resources:

- SHRM – Society for Human Resources Management – www.shrm.org
- U.S. Department of Labor – <https://www.dol.gov/agencies/whd/pandemic>
- Updates on FFCRA – www.dol.gov/agencies/whd
- Center for Disease Control – www.cdc.gov
- Jason Branciforte @ Littler Mendelson – <https://www.littler.com>; jbranciforte@littler.com
- IslerDare – <https://www.islerdare.com>

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