

Preparing for Layoffs Checklist

Consider the following when preparing for a layoff:

- Reason(s) for the layoff.** Is the layoff imperative or could reduction in hours or the like meet your needs?
- Contractual commitments.** Are any persons to be laid off parties to an employment contract or covered by a collective bargaining agreement?
- Number of people involved.** How many persons will be laid off? What will be the impact of the reduction in force on the work of remaining employees?
- Departments involved.** If you're organized into departments, how will the layoff affect various departments?
- Use objective layoff criteria.** You must use objective criteria, e.g., performance, seniority, job elimination, particular skills needed by company, in determining which employees will be laid off to avoid claims of discrimination, etc.
- Layoff policy.** Determine what regular pay, severance, vacation pay, or other benefits will be paid. Will you cover health insurance until the end of the month or for a longer period?
- Advance notice.** How much, and how, will it be given? (Check federal WARN requirements as well as state law.)
- Voluntary separation.** Find out whether anyone wishes to quit voluntarily, or if employees of retirement age wish to take early retirement. Determine amount of severance pay or retirement incentives to be offered.
- Seniority.** Compile seniority list and consider whether seniority is to be one of the criteria used to determine who is laid off.
- Company property.** Arrange return of any company property in the possession of persons to be laid off.
- Benefits.** Make arrangements regarding medical and life insurance coverage, if applicable. Review pension plans if you have them. Provide insurance conversion forms and send COBRA or comparable state-mandated notifications. Prepare an information sheet to hand out to employees regarding what benefits they will have and for how long.
- Outplacement services.** Consider use of an outplacement service. If you are not using such a service, consider offering workshops in finding a job, writing a resume, and interviewing.
- Unemployment insurance.** Provide employees with information on how to collect.