

IMPLEMENTING REDUCED HOURS OR PAY

Checklist of Considerations and Tasks to Complete

1. Involve an employment and labor lawyer?

2. Goals and issues:
 - Payroll cost reduction.
 - Closer alignment of all operating costs with demand.
 - Impact on customer service, ability to deliver services/product.
 - Reduction of liability for accrued paid time off.

2. Alternatives to consider:
 - Reduce daily hours worked.
 - Reduce number of days worked.
 - Close facility on temporary basis.
 - Implement voluntary or involuntary one-week furloughs.
 - Request voluntary days off.

3. Reduced Hours: Non-Exempt Employees
 - Review agreements, collective bargaining agreements, handbook policies or offer letters that might prohibit a reduction in hours.
 - Consider voluntary or involuntary hours reductions.
 - Consider daily hours reduction, shut-downs, shorter work weeks.

4. Reduced Hours: Exempt Employees
 - Review agreements, collective bargaining agreements, handbook policies or offer letters that might prohibit a reduction in hours.
 - Consider voluntary or involuntary hours reductions.
 - Consider elimination of entire work week.
 - Adopt a formal reduced work week with commensurate salary decrease.
 - Consider voluntary requests for personal days off.
 - Review whether salary basis jeopardized by action proposed.

5. Reduced Pay (No Hours Reduction)
 - Review agreements, collective bargaining agreements, handbook policies or offer letters that might prohibit a reduction in pay.
 - Consider voluntary or involuntary reductions in hourly rate and salary.
 - Consider deferral of compensation.
 - Confirm still meeting minimum wage and minimum salary requirements.
 - Consider fluctuating work week method for non-exempt employees.

6. Document new arrangements with employees.

7. Consider stay bonuses for key personnel.