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MARCH 21, 2020

Clients,

Last night, many of you listened to the webinar [Managing Staff and Office Closures: Practical Guidance for Employers](#) featuring CEO and-Co-Founder of [CEDR HR Solutions](#) Paul Edwards, and CWA Partner Dan Wicker. The webinar received a tremendous amount of engagement and since, our team of planners have received an out-pouring of appreciation for the transparency of the information presented. The intention of the webinar, and all the material we have released to date, is to help guide and direct you in making some of the hardest business decisions you may have ever faced.

In these unprecedented times, we cannot let fear keep us from making the decisions in the best interest of our business. We cannot sit and wait for action from the U.S. government on what we believe, or hear in the media. Should something change, then we too will pivot and make new recommendations based on how this will affect you and your business.

This summary will provide you with CWA's unified recommendations based on what we know as of March 21, 2020. Please remember that our **primary objective** is to protect you and your business for the long-term. Our mission statement is "to provide financial peace and security" and the recommendations below are based upon what we believe will get you there.

As a business owner you need to make the decision that is best for your office and your employees. While this is a blanket recommendation due to mass office closures, we acknowledge you may have a unique situation that would warrant a different path.

Our recommendations are as follows:

1. Lay off all employees immediately. This [template letter from](#) CEDR can be used as a starting point for drafting a final letter to your employees. Before notifying employees, understand recommendation number two below. Please remember that bills passed into law typically take a week or two before action can be taken. Unemployment pay is typically around 50% of their current pay, up to a maximum amount.

2. Contact your health insurance broker and let them know what is happening in your office. A layoff may trigger a COBRA event, and they may advise you to call the layoff something different, such as a furlough. Many health insurance policies have “work stoppage” clauses that allow for the continuation of coverage in these types of situations. Each policy is unique, so please contact your health insurance broker.
3. Once laid off, employees should immediately file for unemployment. Visit your state unemployment agency website for details. This will be done online, and all states have special pages for COVID-19. You, as the employer, may be able to file on behalf of all your employees or each individual employee may have to apply.
4. Paid Time Off (PTO): In most states, earned PTO is due to the employee upon layoff. The employee may be able to delay receiving this if he/she chooses, but this varies by state. Typically, sick time is not required to be paid out, but this is also state specific. If the employee receives PTO, **it can delay** the receipt of unemployment benefits. You can verify this through your local unemployment agency or a local labor attorney.
5. Change all employees to non-exempt (hourly), even if they are currently exempt.
6. Determine what office staff you plan to bring back on a part-time basis. Earnings from this will affect the amount of unemployment benefits they will receive. The employee will have to report this to the unemployment office. They should all be paid through salary at their regular hourly rate.
7. Set up a schedule to regularly communicate with your staff. Consider phone conferences or video-conferencing technology such as Zoom.
8. Associate Doctors: You will need to contact the attorney that drafted your agreement to see what the steps are for laying off or terminating an associate doctor that is under contract.
9. Unemployment: All employees laid off should file for unemployment immediately. Owner doctors may or may not be able to file for unemployment. This has to do with whether the business owner has been paying unemployment insurance on the doctor. You will need to contact your unemployment office as they will have to pull up your specific business case.
10. The Coronavirus Relief Package was passed last week and will go into effect on April 2, 2020. The Treasury and Department of Labor (DOL) has yet to provide the “regulations” (i.e. details on implementation) to the public. We currently do not recommend implementing this law into your practice for the Emergency Paid Sick Leave prior to April 2. There may be an exemption for businesses with < 50 employees once the DOL issues regulations. CWA will determine when and if this will apply to your practice.

Many of you know the Senate is working on a bill called the CARES Act. This has not been passed by the Senate and must still be approved by the House of Representatives. There will be items in this bill that may affect the recommendations above, or will create further benefits. This however, should not stop you from action now.

We are in unprecedented times and are working on the best possible solutions for you and your business, with a long-term horizon in mind. Thank you for your many words of encouragement

during this time. These communications mean more than you know and lift our spirits as we continue work tirelessly to support the decisions you are facing during these turbulent times.

Sincerely,

The CWA Partners



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