



BULLETIN

March 18, 2020 (UPDATE)

FURLOUGH AND LAYOFF



As we continue through these uncertain times, many companies are dealing with the reality that lower revenue cannot support the current employment. As a result, employers are considering their options to lower payroll expense. We've created the following chart that summarizes the options and differences between Furlough and Layoff.

	FURLOUGH	LAYOFF
Description	Short-term leave of absence	Employment ended due to lack of work or other business reasons
Employment Status	Remains “active”	Changes to “terminated”
Employee Benefits	Eligibility likely to continue. Employer can determine method of premium collection.	Eligibility ends – typically on last day of month. COBRA would be offered.
Unemployment Claims <i>*subject to standard requirements</i>	Each state may handle differently. (e.g., Furloughed Illinois residents likely to be approved*)	Each state may handle differently. (e.g., Laid-off Illinois residents would be approved*)
Return to Work	No significant changes or paperwork required.	Employees would complete new hire paperwork (e.g., I-9) and may be subject to new hire waiting period for benefits eligibility.

Outside of a furlough vs layoff decision, some employers are considering a company-wide reduction in pay (e.g., 20% pay cut for all employees). When reducing an employee’s pay or hours, ensure that you stay compliant in areas such as minimum wage, exempt/salaried employee pay threshold, and benefits eligibility.

Stay up-to-date with the latest material on our [coronavirus web page](#) - dedicated to sharing information about COVID-19 and how it relates to the workplace:

<https://www.employco.com/coronavirus>

We will continue to monitor the situation and provide updates throughout the process. We hope you and your family and friends are healthy.

Please [contact us](#) if you have any questions.



Jason Eisenhut
Vice President of Human Resources
630.286.7341
jeisenhut@employco.com

Questions, comments, feedback?

Jason Eisenhut
630.286.7341
jeisenhut@employco.com

Connect with us



Employco USA

350 E. Ogden Avenue
Westmont, IL 60559

www.employco.com