




WARN ACT and Workplace Restructuring

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Overview of the Worker Adjustment And Retraining Notification Act

- Covered employers are required to provide 60-days advance notice of a plant closing or a mass layoff to affected employees and certain local government officials.

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Overview of the Worker Adjustment And Retraining Notification Act (cont.)

- A “plant closing” occurs when 50 or more employees (excluding part-time employees) experience an employment loss during any 30-day period that is caused by a temporary or permanent cessation of operations at a worksite, or a cessation of operations of an operating unit within in a worksite.

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Overview of the Worker Adjustment And Retraining Notification Act (cont.)

- A “mass layoff” occurs when a reduction in force is not the result of a plant closing, but results in an employment loss at a single site of employment during any 30-day period for: (1) 500 or more employees; or (2) 50 or more employees, if those employment losses constitute 33% or more of the employees at the single site of employment.

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Worker Adjustment And Retraining Notification Act: Extended Furloughs

- Extended furloughs may trigger WARN notice requirements.
- Plant closings and mass layoffs are triggered by employment losses.
- An “employment loss” includes: (a) layoffs that exceed 6 months; and (b) reductions in hours of work of more than 50% during each month of any 6 month period.

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Worker Adjustment And Retraining Notification Act: Notice Exceptions

- The “unforeseeable business circumstances” exception applies when a plant closing or mass layoff is caused by business circumstances that were not reasonably foreseeable at the time that the 60-day notice would have been required.
- The “natural disaster” exception applies when a plant closing or mass layoff is the direct result of a natural disaster such as a flood, earthquake, drought, storm, tidal wave, or similar effects of nature.

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