



Layoff Checklist: The What, When, Where, and Everything a Company Needs During a Downsizing

Your One-Stop Layoff Checklist:

✓ **Scope**

Which departments, locations, or product/service arms will be affected by the layoff?

✓ **Employee selection**

The bigger the company, the tighter your selection process should be. Here are a few things to consider:

- Criteria: Will you choose by performance, job redundancy, or seniority?
- Legal considerations: Inform decision makers of potential landmines, such as choosing based on religion, race, gender, or nationality.
- Employee selection based on performance must correlate with documented employee performance and bonuses previously provided.
- Assess tentative employee selection to uncover possible issues missed, such as employees chosen due to age (over 40), minority races, gender, pregnancy, and other potential issues.

✓ **Hiring Condition**

Were employees given an "employment-at-will" contract? Were they promised any tenure or some sort of job security? While entry-level employees may have roughly the same contracts, C-levels and managerial employees have varying job agreements. Did any of the selected employees sign an agreement regarding intellectual property or inventions?

Verify any employment promises made, whether oral or written, to ensure you're not exposing yourself to any legal liabilities.

✓ **WARN Act and Federal WARN**

A layoff consisting of one-third or more employees, or a minimum of 50 employees, is considered a "mass layoff." If your company has 100 or more employees, you need to provide at least two months (60 days) of notice when conducting a mass layoff. There are some exceptions to the rule, but 60 days is the notice required for most businesses.

If you can't give a notice, you are required to pay an equivalent of 60 calendar days of pay. For more information on Federal laws and WARN, [click here](#).



✓ **Collect and Protect Company Assets**

Secure information and other hardware provided to chosen employees. Here are some examples, but you may have more:

- Company IDs
- Company cars
- Room and locker keys
- Computer, tablets, phones, and other hardware
- Credit cards
- Employee access to different company websites and software
- Disable employee email
- Company files

✓ **Severance and Other Benefits**

Did you promise a severance package? Continuation of medical benefits? Or did you promise both? Check your contractual obligations and state laws to verify what you owe your employees. Here's a list of financial and HR obligations:

- Accrued leave
- Unpaid salary leading up to layoff announcement
- 401k notice
- Unemployment benefits
- Continuation of group medical coverage
- Work-related reimbursable expenses

✓ **Outplacement**

Your employees have served you well up to now. Help them transition well into finding a new job by providing career counseling, coaching, and job-seeker assistance. Doing this will reduce employee backlash and preserve your reputation as a good employer.



✓ **Separation Agreements**

Prepare severance documents to be given to selected employees. If you're working with an outplacement provider, they may help you assemble this package. In general, the documents include the letter of termination, checklist to claim benefits, and layoff procedures. It should include everything the employee needs for a smooth transition.

✓ **Formal Communication**

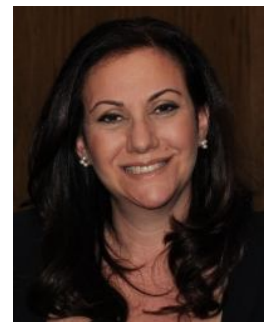
Consistent communication is important to avoid panic and confusion. Prepare a communication plan that's consistent for displaced employees, remaining employees, and the press.

- Manager's announcement or meeting points for selected employees
- Company-wide announcements
- Security procedures for potentially disruptive employees
- Press release and FAQ for media inquiries

While this is a lengthy checklist, there's still a possibility it doesn't include everything you need. Be sure to check and verify all the legal requirements in your state by consulting your Human Resources department and your attorneys.

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Michelle A. Riklan holds a B.A. in Theatre, English Literature and Speech Communications from Hofstra University. While beginning her corporate career, she pursued and completed a M.A. in Speech and Interpersonal Communications from New York University where she also served as an instructor in Voice and Diction/Public Speaking. Utilizing her education and presentation skills, she continued a career path in Human Resource Management. Her generalist background is all inclusive, but her areas of expertise include employment, employee relations and training and development.



As a Certified Professional Resume Writer (CPRW) and Certified Employment Interview Consultant (CEIC), Michelle has written hundreds of resumes and coached clients through all phases of the job search. Michelle's training as a DISC administrator and Myers-Briggs assessment administrator is a benefit to her clients to gain insight into a person's behavioral style, which impacts a client's chosen career path. She works with her clients to identify specific talents, capitalize on a client's talents and his/her potential and continuing value to an organization and offers tools to improve interpersonal skills and interviewing performance.

Michelle is the Managing Director of Riklan Resources, LLC. She is also the co-founder of SelfGrowth.com, the largest social network on the web for people looking to improve their lives and for the experts that guide them.