



California Offers Relief From State WARN Act Requirements

March 18, 2020 | [Labor And Employment](#)



John F. Kuenstler
Partner



Scott J. Witlin
Partner
Wage and Hour
Co-Chair



Caroline Dickey
Of Counsel

As companies feel the economic impacts of the COVID-19 pandemic, many are faced with the need to rapidly close their doors or lay off workers. Under California law, covered employers who order a mass layoff or close a facility are required to provide at least 60 days' notice to affected employees as well as to state and local officials. Failure to provide the 60 days' notice can result in liability for back pay, benefits, and a penalty of \$500 per day.

Unlike the federal WARN Act, the California WARN Act does not provide any relief for employers that take these actions due to unforeseen business circumstances. But on March 17, 2020, Governor Gavin Newsom issued an executive order to provide some relief to employers during this unprecedented time.

Under Executive Order N-31-20, the requirement for covered employers to provide 60 days' notice before a mass layoff, relocation, or facility closing is suspended if the event is caused by COVID-19-related business circumstances that were not reasonably foreseeable as of the time that notice would have been required. Employers are still required to give written WARN notices as soon as is practicable, and the notices must briefly state the basis

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for reducing the notification period. Additionally, any WARN notices provided after March 17, 2020, must state: "If you have lost your job or been laid off temporarily, you may be eligible for Unemployment Insurance (UI). More information on UI and other resources available for workers is available at labor.ca.gov/coronavirus2019."

The relief provided under Executive Order N-31-20 is retroactive to March 4, 2020, and will continue through "the end of this emergency." By March 23, 2020, the Labor and Workforce Development Agency is required to provide guidance to the public regarding implementation of the executive order.