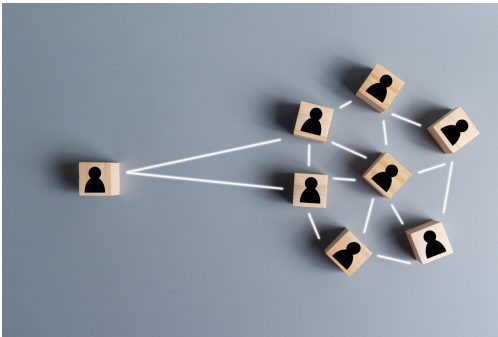


Assessing Workforce Options: Amid Financial Pressures, What's The Right Plan Of Action For My Business?

April 01, 2020



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Many businesses have faced significant economic challenges due to the coronavirus pandemic. If your business is considering making personnel decisions to improve financial stability, you have a number of options and considerations.

Generally, employers have four options for reducing their workforce costs:

1. Reducing employees' hours
2. Reducing employee compensation
3. Furloughs/temporary layoffs
4. Termination/permanent layoffs

You do not have to select one alternative - these options can be used in combination to address the unique needs of your business. For example, a portion of the workforce could be furloughed and a different portion could be laid off. Or, some employees may have their pay reduced and may later be laid off if

conditions do not improve.

The attached chart summarizes key considerations when determining the right plan for your business. Keep in mind that if your business has applied for or received a loan from the Small Business Administration's Paycheck Protection Program (put in place as part of the CARES Act) a reduction in the number of employees, in work hours, or in payroll during the eight weeks after receiving the loan may impact the loan forgiveness. Employers, in some cases, have the opportunity to rehire employees or make up for wage reductions by June 30, 2020 and still receive loan forgiveness. Consult our specific guidance on the CARES Act or speak to your accountant or bank concerning the loan terms.

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