

Maddin Hauser's
Employment Law
Symposium

**FROM SALE TO SEPARATION:
NAVIGATING HR ISSUES THROUGH
TRANSITIONS**

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Overview

- Key considerations in a reduction in force
- Personnel considerations when selling a business
- Other common transition issues

KEY CONSIDERATIONS

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- WARN Act
- Choosing Personnel
- Release Agreements



Business Merger



Takeover



Consideration



Integration



Transaction



Closure

WARN ACT

Covered employers must provide 60 days' advance notice of a covered plant closing and/or mass layoff.



DEFINITIONS:

- Covered Employer
- Covered Employees
- Plant Closing
- Mass Layoff
- Employment Loss



EXCEPTIONS TO WARN ACT

- Unforeseen business circumstances
- Faltering companies
- Natural disasters
- Pay in lieu of notice

Note: exceptions may allow for less than 60 days' notice, but generally do not eliminate the notice requirement entirely.

THE WARN ACT NOTICE

- Written in clear and specific language
- Indication as to whether action is temporary or permanent
- Anticipated date
- Contact information for further information
- Reasonable method of delivery

PENALTIES

- Backpay and benefits
- Civil penalty of up to \$500/day
- Reasonable attorneys' fees



SELECTING EMPLOYEES

- Selection criteria
- Adverse Impact analysis



RELEASE AGREEMENTS

- Obtaining appropriate waivers
- Deciding on severance
- Ensuring appropriate released parties
- Governing law
- Reaffirmation





PERSONNEL CONSIDERATIONS

COBRA

- Consolidated Omnibus Budget Reconciliation Act
- Provides temporary continuation of group health coverage
- 20+ employees



WHO QUALIFIES?

- Employee,
- Employee's spouse,
- Former spouse, or
- Dependent child



QUALIFYING EVENT

- Covered employee
- Spouse and dependent child
- Dependent child



EFFECTS OF A SALE ON EMPLOYEES



Stock Purchase

Buyer purchases all of the stock in a company. Seller does not retain any employees or benefit plans.



Asset Purchase

Buyer chooses which assets and liabilities to purchase, including employees.

EFFECTS

- Prior policies
- Payroll
- Culture





OTHER COMMON TRANSITION ISSUES

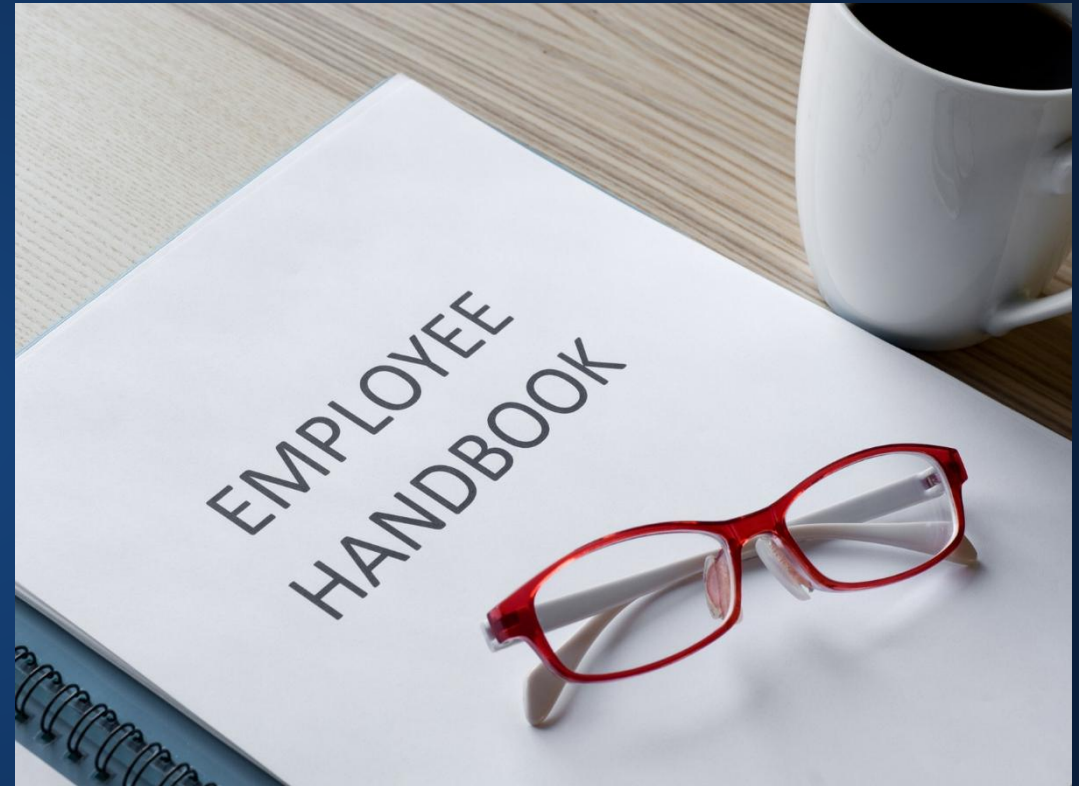
SUTA DUMPING

- What is it?
- Types of SUTA Dumping
 - Vertical
 - Horizontal
 - Acquired
- Penalties



NEW EMPLOYMENT DOCUMENTS

- Handbooks
- Employment Agreements
- Non-Compete Agreements
- Confidentiality and Non-Disclosure Agreements



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QUESTIONS



**Submit questions
for presenters**



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THANK YOU



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