The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Carla S. Roberts.

DIGEST 2018 Regular Session

Barrow

Proposed law provides for the "La. Worker Adjustment and Retraining Act" or the "La. WARN Act".

<u>Proposed law</u> provides that the legislature finds that the earlier that employees of large companies are warned of impending massive layoffs, the more likely workers are to be able to find alternative employment or retraining in order to provide for themselves and their families.

<u>Proposed law</u> provides that it is not the intent of the legislature to supercede the federal "Worker Adjustment and Retraining Notification (WARN) Act of 1988" and which law applies to employers who employee 100 or more employees.

<u>Proposed law</u> provides that it is the intent of the legislature to do the following:

- (1) Extend those same types of benefits provided in the federal WARN statute to La. employees who work for companies who employ between 50-99 employees.
- (2) It is further the intent of the legislature to provide more employees greater access and awareness of retraining resources and to expedite unemployment claims for La. workers who were laid off work through no fault of their own.

<u>Proposed law</u> provides for the following definitions:

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- (1) "Executive director" means the executive director of the La. Workforce Commission.
- (2) "Employer" means any person, corporation, or other entity which employs 50 or more full-time employees at a workplace located within La. and which is not excluded or exempt from unemployment benefits, as provided in <u>present law</u>.
- (3) "Health benefits" means an employee benefit plan which covers the cost of health insurance premiums or the cost of medical expenses which would have been covered under an employee benefit plan if the employment loss had not occurred.
- (4) "Lost wages" means the rate of compensation in the amount of the following, whichever is higher:
 - (a) The average weekly rate received by the employee during the last three years of the employee's employment.
 - (b) The final weekly rate received by such employee.

- (5) "Mass layoffs" means any of the following:
 - (a) The closure of a workplace, or a portion of the operations therein, whereby the number of employees working within such workplace is permanently or indefinitely reduced by 50 or more during any three-month period.
 - (b) The modernization of a workplace, or a portion of the operations therein, whereby the number of employees working within such workplace is permanently or indefinitely reduced by 50 or more during any three-month period.
 - (c) The relocation of a workplace, or a portion of the operations therein, to another site located more than 50 miles from the workplace, whereby the number of employees working within such workplace is permanently or indefinitely reduced by 50 or more during any three-month period.
 - (d) The implementation or application of any management policy within a workplace, whereby the number of employees working within such workplace is permanently or indefinitely reduced by 50 or more during any three-month period.
- (6) "Workplace" means a factory, plant, office, store, or other facility where employees produce goods or provide services.
- (7) "Director" means the director of the office of the unemployment insurance administration who is appointed to perform the day-to-day duties of the office, under the direction of the executive director of the La. Workforce Commission.

<u>Proposed law</u> provides an employer shall not order a mass layoff until the end of a 60-day period after the employer serves written notice of such an order to each of the following:

- (1) To each affected employees as of the time of the notice.
- (2) To the executive director of the La. Workforce Commission.
- (3) The members of the La. Senate who represent the parish in which the workplace is located.
- (4) The members of the La. House of Representatives who represent the parish in which the workplace is located.
- (5) The president of the parish governing authority.

<u>Proposed law</u> provides an employer may order the shutdown of a single site of employment before the conclusion of the 60-day period, if as of the time that notice would have been required, the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital

or business.

<u>Proposed law</u> provides that an employer may order a mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

<u>Proposed law</u> provides no notice under <u>proposed law</u> will be required if the mass layoff is due to any form of natural disaster, such as a flood.

<u>Proposed law</u> provides that an employer relying on <u>proposed law</u> will give as much notice as is practicable and at that time must give a brief statement of the basis for reducing the notification period.

<u>Proposed law</u> provides that a mass layoff will be deemed to have occurred if employment losses occur for two or more groups at a single site of employment, each of which is less than the minimum number of employees required under <u>proposed law</u> but which in the aggregate are 50 or more employees, and which occur within any 90-day period unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of proposed law.

<u>Proposed law</u> provides that, upon receiving initial notification of a reduction in operations, and in order to expedite retraining opportunities or unemployment benefits, the executive director will immediately advise all of the following persons:

- (1) The director of the office of the unemployment insurance administration.
- (2) The president of the La. Community and Technical College System.
- (3) The president of the La. State University System.
- (4) The president of the Southern University System.
- (5) The president of the University of La. System.

<u>Proposed law</u> provides that the provisions of <u>proposed law</u> will not apply to any of reduction in operations in any of the following circumstances:

- (1) Disputes between labor unions and employers.
- (2) Layoffs that are at a construction site or other temporary workplace.
- (3) Layoffs are the results of seasonal factors, as determined by the rules of the executive.
- (4) Employees who are exempted from the La. Employment Security Law as provided in <u>present law</u>.

(5) The closing is of a temporary facility or the closing or layoff is the result of the completion of a particular project or undertaking, and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project or undertaking.

<u>Proposed law</u> provides that any employer who orders a mass layoff in violation of <u>proposed law</u> will be liable to the aggrieved employee who suffers an employment loss as a result of such closing or layoff for the lost wages and health benefits for that employee for each day of violation as well as reasonable attorney fees and costs.

<u>Proposed law</u> limits the damages to a maximum of 60 days, but in no event for more than one-half the number of days the employee was employed by the employer.

<u>Proposed law</u> provides that damages will be reduced by any of the following:

- (1) Any wages paid by the employer to the employee for the period of the violation
- (2) Any voluntary and unconditional payment by the employer to the employee that is not required by any legal obligation.
- (3) Any payment by the employer for health insurance premiums or health benefits on behalf of and attributable to the employee for the period of the violation.

<u>Proposed law</u> provides that executive director will promulgate, in accordance with the provisions of the A.P.A., such rules as may be necessary in order to implement the provisions of proposed law.

Effective August 1, 2018.

(Adds R.S. 23:1019.1-1019.9 and 1472(9))