

FAQ: HR and Payroll Questions

CCBA has received many HR questions from brewery owners. We've asked our allied trade network of HR and employment law attorneys to help assist us with commonly asked questions, listed below.

The following information was provided by Joel Van Parys, Carothers, DiSante and Freudenberger. This should not substitute legal advice but should help direct you in the right direction. Please contact info@californiacraftbeer.com for assistance in contacting an HR or employment law professional in the CCBA allied trade network.

It's also important to note than ANY employee experiencing reduced or furloughed hours should apply to EDD. There are different factors that the EDD uses to determine if a person qualifies for unemployment and most of it is specific to what an employee brings home each paycheck.

Finally, if you have laid off employees or furloughed them your actions may have triggered the CalWARN Act. CalWARN is a statute that requires advance notice to employees in certain situations where a company has laid off, relocated, or closed workplaces. The Governor has just released an exemption for some types of these actions because of COVID-19. If you have laid off, furloughed, closed sites or relocated workers we strongly recommend that you talk with your legal professional to ensure that you meet the notice requirements. If not, there are possibly significant penalties for the company. The CCBA will release more info on the Governor's exemption when it is available.

GENERAL FAQS

Q: We've had to cut employees hours and must let them go on unemployment. I am concerned that the CA SUI payroll tax will just go up more than the amount I save in payroll. Is it just a lower cost to keep paying all the employees? How will all these unemployment claims impact us in the long term?

A: The consensus is that the costs to keep paying employees will be more expensive, especially because there may be government assistance that helps with the payroll tax. We recommend talking to your tax professional if you are concerned that the costs may be similar.

Q: I took a large portion of my part-time and hourly employees down to 0 hours. We don't have to lay them off officially (cut last paycheck, pay out vacation, etc) but does the reduction in hours still qualify for unemployment support?

A: The EDD should pay these unemployment benefits.

Q: The EDD is offering reduced hours claims. Can a brewery supplement this income by keeping people on payroll at a percentage of their current wages so that they have 100% pay between EDD claims and normal payroll?

A: Normally employers are not allowed to make up the difference between unemployment benefits and the normal pay amount. However, new programs have changed this in light of the slowdown. The EDD has a program that breweries can apply for to allow them to reduce hours

and have the EDD pick up the rest. Of course, this means that they would have to pay for at least some time. This may work for some companies and not others. There are also several requirements and restrictions to the program.

A link to the program info is below.

https://www.edd.ca.gov/unemployment/Work_Sharing_Program.htm

In addition, if breweries have to close all together and let people go they can furlough them without terminating people and those employees can apply to the EDD right away for benefits. See no. 21 in the FAQs at the link below. https://www.edd.ca.gov/about_edd/coronavirus-2019/faqs.htm#employer There are also updates to California's labor laws that relate to this here: <https://www.callaborlaw.com/entry/new-federal-coronavirus-paid-leave-law-what-all-employers-need-to-know>

We expect that there will be some federal legislation soon with some benefits that may help employees and smaller businesses survive this time.