

PLANT CLOSINGS

FEDERAL LAW

The federal Worker Adjustment and Retraining Notification Act (WARN) applies to employers of 100 or more full time employees. Employers with fewer employees are encouraged to comply with the spirit of the law, although they are not bound by it.

The federal law requires employers to provide 60 days' notice to several entities before ordering a plant closing or massive layoff. These entities include affected employees or their collective bargaining representative, the state dislocated worker unit (in Minnesota, the Department of Employment and Economic Development and its Rapid Response Team, listed in the Resource Directory section of the Small Business Assistance Office publication, *A Guide To Starting A Business In Minnesota*), and the chief elected official of the unit of local government in which the business is located. If the firm is situated in more than one locality, notice must be given to the local governmental unit to which the employer pays the highest taxes.

Employers who violate the law may be liable to employees for back pay and benefits for which they would have been eligible under an employee benefit plan. An employer who fails to notify the local governmental unit of the plant closing may be liable for a civil penalty of up to \$500 per day of violation.

MINNESOTA LAW

Minnesota law requires all employers who must provide notice under WARN to notify the Department of Employment and Economic Development (specifically, its Rapid Response Team) of the names, addresses and occupations of the employees whose jobs will be terminated. The law encourages, but does not mandate, businesses that are considering a plant closing, substantial layoff or relocation of operations outside Minnesota to give early notice of that decision to the Department of Employment and Economic Development, the employees of the affected establishment, any collective bargaining agent representing the employees, and the local government unit in which the establishment is located. This notice is in addition to any notice required by WARN.

The law directs the Department of Employment and Economic Development to establish a program to help employers, employees and the community to respond quickly to the plant closing or layoff by providing information and technical assistance for dislocated workers. The law also provides information and technical assistance on accessing public and private services and programs for dislocated workers and establishes a grant program for examining the feasibility of alternatives to the plant closing. The Dislocated Worker Program is funded by a special payroll assessment that is paid with unemployment insurance taxes.

A new law provides employers facing economic hardship with an alternative to laying off their employees by participating in a shared work plan with the Minnesota department of Employment and Economic Development.

BANKRUPTCY NOTIFICATION

Under Minnesota law, an employer must notify employees and job applicants that it has filed a petition for bankruptcy or has had an involuntary bankruptcy petition filed against it. Failure to provide the required notice is a misdemeanor.