Beyond the Curve: Guide to Getting Back to Work



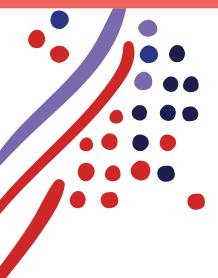






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As we continue to experience effects from COVID-19,

employers need to plan next steps for their businesses and employees. Organizations are transitioning workers back into offices at different paces and return to work has different meanings and considerations for different industries, business sizes and locations.



In ADP's Virtual Summit on May 29, 2020, <u>Looking Beyond the Curve</u>:

<u>Recovery and Engagement in the New World of Work</u> expert panels discussed legislation and policies that employers need to consider when developing plans for resuming operations.

This guide summarizes information from the Summit and provides employer resources, expert guidance and additional topics for consideration to guide you as you formulate new policies and make strategic and talent decisions to help your business succeed and thrive as you go back to work.

Business and HR leaders are balancing the interests of customers and the safety and well-being of their staff, while reacting to the dynamic policy and legislative guidance resulting from COVID-19 across the globe.

Employers need to tailor their return-to-office programs to comply with state and local requirements. Because there are no comprehensive guidelines from government sources that spell out exactly how every business needs to respond to the global health event as they begin to resume operations, it's understandable that employers are looking for guidance.

Return-to-Work Planning Resources

The decision of when, whether, and how to return to work and reopen workplaces requires a multidisciplinary approach and a review of workplace policies and practices. What new policies and practices should you consider? What existing policies and practices may need to be revisited?

For extensive information on workplace policies and legislative changes pertaining to COVID-19, see the **ADP Coronavirus (COVID-19) FAQs**.

View our previous webinar on demand, <u>Workplace Spotlight: What to Consider in Enacting and Managing Your Return to Work Strategy</u> for information on compliance considerations and leading practices in:

- Workplace safety
- Attendance and leave policies and regulations
- Timekeeping and scheduling
- Employee privacy
- Antidiscrimination, and other employment law considerations

Employee Policies

The key to successful employee policies are compliance with jurisdictional guidelines, clear communication with your employees and consistent reminders and reinforcement. When was the last time you evaluated your employee policies? How are they impacted? For example, now is the time to make sure that your attendance and telecommuting policies are updated to reflect recent changes. You should also socialize your updated employee policies and handbook with your workforce.

Return-to-Work Guidance

CDC Workplace Decision Tool

COVID-19: Return-to-work Checklist and Key Considerations for HR and Finance Leaders

Small Business Return-to-Work Checklist for when COVID-19 Restrictions Ease

Electronic Pay Options

The suddenness with which many organizations altered business operations and moved to remote work posed unique challenges. Employers who were equipped with electronic pay options and mobile access to employee payroll experienced fewer delays in paying their workers.

If you aren't currently offering electronic pay to your employees, now is a good time to consider making the transition. Direct deposit is more convenient and cost-effective than printing and delivery of paper checks. Pay cards — a newer pay method that loads employee pay on a reloadable card each pay period that can be used everywhere that credit and debit cards are accepted — allow for both electronic transfer of pay and touchless purchasing.

For more information on implementing pay cards at your organization, see the **Employer Pay Card Guide**.

Unemployment

Unfortunately, as people continue to social distance and work remotely where possible, many businesses have been forced to make workforce reductions or temporarily shut down, contributing to a substantial rise in unemployment claims.

News of new unemployment laws and regulations in the Families First Coronavirus Response Act (<u>FFCRA</u>) and in the Coronavirus Aid, Relief, and Economic Security Act (<u>CARES</u>), may have you wondering what you should be doing to manage unemployment claims.

ADP's support during this unprecedented time has been incredible. The information [they shared] on the CARES Act and PPP helped us fully understand the requirements necessary for our loan application.

- Pia Saks, Corporate Payroll Manager, Vanderbilt Global Services, LLC

Best Practice for Employers

It is important that you maintain best practices to protect your business and assist displaced workers in receiving benefits for which they may be eligible.

When reducing hours, wages or staff for reasons related to COVID-19, provide a written statement to the employee(s) notifying them that they may be eligible for unemployment insurance benefits. In the statement, clearly convey the following information:

- The reason for reduction is business impact due to COVID-19
- Effective date of the action
- Type of reduction in hours or pay
- Length of reduction (temporary / permanent / undetermined)
- Date of hire (if available) and last date physically worked
- Guidance that the employee should notify the unemployment agency of the facts listed above
- Respond in a timely manner to all unemployment claims and requests for information received by your organization.

- Florida announced mandated quarantine for employees age 65 and older. Pulling the Medicare and census reports from Workforce Now gave us quick data to understand the needs of our Florida workforce and create a plan of action for those affected.
 - Marilyn Milby, Associated Asphalt Partners, LLC, Human Resources & Safety Generalist, SHRM-CP

Best Practice for Employees

You can help prepare your employees with the information they will be expected to provide when filing for unemployment benefits, including:

- Full legal name
- Social Security Number or Taxpayer Identification Number
- Driver's license or state identification number
- Home / mailing address
- Employer name(s)
- Bank account information for a direct deposit payment option

By following these best practices, you can assist state unemployment agencies in making faster determinations on eligibility and, in turn, help employees receive unemployment benefits in a timely fashion.

Learn More About Unemployment Claims

Special Edition Webcast:

<u>Understand and Prepare to Manage Unemployment Compensation Changes in</u> Response to COVID-19

Article:

COVID-19 Workplace Impact and Employer FAQs: Unemployment Insurance



As you look at lessons learned while you start to return to your workplace, you may identify areas that you'd like to shore up to position your organization to best respond to continuing and upcoming changes.

Self-service has been very helpful. The information is at employees' fingertips — on their cell phones or on their computers at work or home. It's very intuitive and we find it really easy to explain to our employees where to find their pay stubs and direct deposit information. ADP self-service saves our employees time, and it saves us time.

- Katie Wible, Payroll Manager, SPIN

Data Security

During the global health event, with most businesses operating remotely and many employees working from home, data fraudsters and scammers have been more active. Even without anyone directly targeting your data, the risk at this time is greater.

The <u>ADP Employer Preparedness Toolkit</u> website has resources for establishing data best practices and for guarding against deliberate data attacks:

- Work from Home Data Security Best Practices
- Dodge the Scam Infographic
- COVID-19 Phishing Scams

The basic principles of internet security are even more complex within a global context. There are two places where multinational organizations especially need good information security practices: in their supply chain and in their employee data. The longer a supply chain is, the greater the number of different accountants and managers who are touching data for the same operations. Each of those touchpoints is a potential security risk. Your past security capabilities and protocols may not be sufficient, especially during a lockdown when ad hoc practices are popping up to handle situations.

Being aware of data security risks in all of the places where your organization does business can help guard against data risks. Shoring up your supply chain or multi-national payroll and HR with an integrated, cloud-based system can greatly improve your business resilience and information security for the next emergency.

Organizational Agility and Business Resiliency

For HR and payroll departments, the immediate focus is highly tactical and operational – people need to be paid, have access to their health benefits, and manage their time information. Payroll and HR need to make sure this all continues to happen and that employees are kept informed about policies and procedures.

- My ADP account manager has been great helping with all the changes we needed to make: changing our address for shipping live checks, answering questions about COVID-19 response, helping us figure out a contingency plan if our payroll team is out sick and helping us understand the federal law changes.
 - Joseph Barzizza, Global Payroll Manager, Cherwell Software

If you experienced any operational issues, here are some areas where you can upgrade your tools and technology to better prepare for future changes:

- Leverage mobile capabilities and encourage self-service wherever possible. For example: clocking in and out, requesting leave, checking paid-time-off balances, etc.
- Provide access to self-service tools to manage work-life virtually. Offer electronic direct deposit enrollment and access to wage statements and W-2s.
- 3 Encourage direct deposit and pay cards as payroll options that won't be affected by office closures and offer greater freedom for underbanked and unbanked employees.
- 4 Support accurate time capture and absence management with tools that employees can access remotely and securely to manage their own time. Time and attendance tools that integrate with other HR systems, and/or that store data in the cloud can offer additional capabilities and streamlining of processes.
- Implement an HR system that maintains benefits eligibility information for all employees, especially when you change employee status, flex part-time employees' hours, or when employees leave the company and are eligible for COBRA. Systems that allow mobile employee access, reporting, communications capabilities from within the system, flags to notify employees about changes in status, and that are integrated with payroll, training and other in-house and vendor systems allow greater efficiency, limit data input, save time and help reduce errors.
- 6 Make your employee handbook available online to keep employees up-to-date on policy changes and procedures for addressing questions.
- The reporting feature of Workforce Now has been the most useful [during this global health event]. I have been able to run reports for all departments to help us to continue functioning as best as we can through this. I can pull headcounts, hours and earnings to help us [monitor] costs as much as possible.
 - Alyssa Kauffman, HR Manager, Monarch Steel

■ The ability for associates to access and update their own benefit information on demand, in the comfort of their own homes, is extremely important. Our associates have come to rely on it.

- Caroline Wyatt, Vice President of Human Resources, Yokes Fresh Markets

Not only can technology, integration and self-service save time and resources and help with business resilience in times of change, they can also improve the employee experience and allow better communication, which can help improve employee satisfaction and loyalty.

For more information on the impact of COVID-19 on employee health insurance, please see COVID-19 Insurance Relief: 4 Key Points for Business Owners.

Employee Retention Tax Credit

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law on March 27, 2020, contains over \$2 trillion for economic stimulus, including cash payments to individuals, expanded unemployment benefits, retirement distributions, payroll tax deferrals and tax credits, corporate relief, and economic support for the healthcare industry to combat the economic effects of COVID-19.

Included in the Act is an employee retention credit for employers impacted by COVID-19. The credit provisions are detailed and there is interplay with other provisions of the Act, like the ability for an employer to defer payment of certain employment taxes. Here, we answer some top questions about the credit.

Who is an eligible employer?

A. An eligible employer is an employer who has been carrying on a trade or business during 2020 that meets one of the following two criteria:

- The employer's trade or business is fully or partially suspended during a calendar quarter due to
 orders from an appropriate government authority limiting commerce, travel, or group meetings (for
 commercial, social, religious, or other purposes) as a result of COVID-19; or
- The employer experiences a significant decline in gross receipts.

Q. What constitutes fully or partially suspended?

A. The term is not defined by the CARES Act, so the determination will likely require a facts and circumstances test for each employer. The CARES Act gives examples of limits on commerce, travel, and group meetings as examples of suspended operations.

Curfews, quarantines, shelter-at-home orders, closing of non-essential businesses, and limitation on capacity for public events are all examples of actions that could result in full or partial suspension.

What is included in the definition of qualified wages?

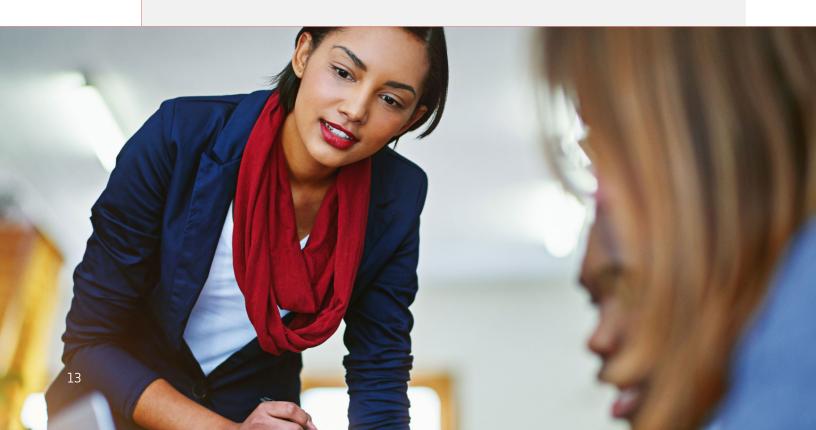
A. Qualified wages are wages paid by an eligible employer with respect to which an employee is not providing services (see below for definition) due to either a full or partial suspension of operations, or a significant decline in gross receipts. A special rule for employers with 100 or fewer full-time employees is discussed below.

"Wages" are broadly defined as generally including all remuneration for employment, including cash value of all remuneration (including benefits) paid in any medium other than cash.

- Q. If the employer has claimed the Work Opportunity Tax Credit (WOTC) on the employee, can the employer also claim the CARES Act employee retention credit on the employee?
- A. Yes, with some limitations. The CARES Act states that an employee cannot be included in the employee retention credit if the employer has also claimed WOTC on that employee in the same period.
- Q. If the employer is pursuing a PPP loan under the CARES Act, is the employer still eligible for the CARES Act employee retention credit?
- A. No. The CARES Act prohibits an employer from claiming the employee retention credit if the employer also receives a covered loan under Section 1102 of the CARES Act (Paycheck Protection Program). The Secretary of the Treasury is also authorized to issue guidance regarding recapture provisions if the employer receives a covered loan after initially claiming the employee retention credit.

For more information on the Employee Retention Tax Credit, please see the complete list of <u>Frequently Asked Questions regarding the CARES Act Employee</u>

<u>Retention Credit</u>. Or, view our on-demand webcast, <u>Workplace Spotlight: CARES Act & COVID-19: Understanding the Employee Retention Tax Credit and Other Tax Implications.</u>



Rapid Change in the Global Regulatory Environment

Worldwide, legislative changes in response to COVID-19 are impacting businesses on a rapidly changing basis. The first wave of legislation that focused on providing immediate relief to employees and businesses is being updated to further refine and address issues that arose from rapid development. At the same time, new legislation is being released to address some of the longer-term effects of business shutdowns and economic uncertainty. While some businesses are beginning to plan for returning to the workplace, they are doing so with extreme caution. Countries and local economies are at different phases of the global health event. This presents unique challenges for multinational businesses.

Marcela Uribe, VP and Assistant General Counsel for ADP Employer Services International (ESI), said, "Multinational businesses must be very attuned to local counsel for direction at this time." With legislation evolving so rapidly, and plans for things like reopening certain cities and regions being canceled, moved or changed on a day-to-day basis, the best source of guidance is local counsel in the areas where a business operates. Clients of ADP have the benefit of information from <u>ADP's network of experts in the 140 countries</u> where we do business, including expertise from our Streamline and Celergo partners. ADP's legislative compliance team maintains a detailed knowledge of global payroll legislation and ensures that changes are incorporated into our products.

Uribe also pointed out that countries are facing different issues on different timelines. In Asia, for example, issues in the forefront right now are contact-tracing apps and procedures regarding physically returning to the office. The European Union is a bit behind that timeline, and starting to look at what a return to the office will be like in different regions and for different businesses. Contract-tracing apps are likely to be subject to greater scrutiny and debate in the EU for data privacy reasons.

According to Phillip Russell, Communications Director, ADP ESI, "A lot of the changes we're seeing are around government support and how to best support employees in different countries." For example, some countries, such as Austria and the Czech Republic, are beginning to get back to normal business operations, but there are likely to be further changes coming. "In the majority of countries, there are likely to be budgetary gaps based on the COVID-related shutdowns, and the payroll changes will be ongoing," Russell said.

As global organizations determine how to address continued business impact from COVID-19, ADP has been delivering timely legislative updates and guidance on payroll changes in all of the countries in which our clients operate. In addition to client portals, regular communications have been going out to multicountry payroll clients with information on ADP's COVID-19 resources and business resiliency plans.

Right now, one of the biggest concerns across the globe is how businesses are going to recover, and how they can adapt to do so. Stability and compliance are key factors in business resiliency. We understand the importance of our business resiliency and commitment to compliance for our clients and partners globally, and will be here to support them through this next phase.



Managing and Activating People in the New World of Work

As the global health event continues to change our world of work, workers are finding themselves in flux and organizations must navigate new challenges to acquire, manage and activate their workforces. Leaders must balance the interests of customers, the well-being of their staff, and operational and financial hurdles. Employee engagement and productivity, however, should remain top-of-mind.

The pandemic has shown that many factors are beyond employers' control. However, there are a number of positive actions an employer can take to improve the employee experience. Perhaps the simplest is sharing positive messages and encouraging positive thinking. Among those "Most Satisfied" with their employers' response, 40% said this was something they received. At the end of the day, employer response matters. It can help shape the perception of your organization and improve employer brand, especially once this pandemic is behind us.

And that's what it really boils down to. Do employees feel like they are being taken care of? ••

- Dr. Ahu Yildirmaz, ADP Research Institute

For detailed crisis leadership and communications steps – immediate, near future and long-term – see <u>7 Steps to Protect Employees, Manage Business Risk and Maintain Engagement</u>.

Supporting Your Team While They Work at Home

With the widespread shift to remote work, HR leaders can make a positive impact on employee engagement and productivity by supporting employees as they adapt to working from home.

1 Be aware of stress rippling through your organization

Promoting positive mental health in a work environment often starts with acknowledging the challenges.

2 Assess productivity expectations

Don't be afraid to tackle conversations about expectations, workload and productivity right now. Look for strategies to help employees get their work accomplished, for example, flexible deadlines or increased use of technology for basic or repetitive tasks.

- Recognize that employees are dealing with different issues

 Employees may have additional stressors at home, like homeschooling children or caring for sick loved ones.
- 4 Foster connection

One of the biggest challenges is coping with the lack of social interaction. Find creative ways to foster connection, using video conferencing, messaging applications and collaboration software.

5 Communicate about health benefits

Sending out a newsletter to remind employees of their coverage and providing links to telehealth services can help people get needed support.

For additional insight into leading your workforce through times of change, see Mental Health and Working from Home: 7 Ways to Support Your Team.

How successful is your communications strategy?

We haven't seen a demonstration of the importance of consistent, reliable communication like we did in the months immediately following the emergence of COVID-19. People across the globe looked to news, government and employer sources for guidance on everything from health and safety to finances. Employers who were able to provide reassurance and practical guidance to their employees gained significant trust and may be better equipped to weather the changes to come, through increased employee engagement and communication.

For resources to share with your employees on COVID-19 and returning to the workplace, please see our **Employee Communications Toolkit**.

- ADP has helped by providing the ability to use configurations to easily upload new articles, company information, links to legislation information, etc., so all of our employees can access it while working remotely.
 - Christina Pasquarelli, Paralegal, Direct Holdings Global



Driving Productivity with Gig Workers

Independent workers allow companies to adapt quickly to changing business environments.

The right talent and skills, when you need it

Maybe you need a skilled writer, blogger or technician to move a project forward or be on the ground in a specific geographic market. Many businesses have needed to find talent locally due to travel restrictions. By using independent workers, you can respond to changing demands for specific skills, experience or expertise, when and where you need them.

Productivity on-demand

Gig workers are faster to onboard than regular employees and are available on-demand. They can execute short-term tasks and projects to meet specific, immediate needs. Companies that adapt to working with distributed workforces and to the growth in gig workers will have the most agile and resilient workforce and will be best positioned to succeed in our new economy.

For more in-depth analysis of the benefits of gig workers, please see the full article: How Gig Workers Can Help Your Company Weather the Storm.

For legislative impact business owners and self-employed individuals, see: <u>CARES</u> <u>ACT AND FFCRA: Impact on Independent Contractors, Self-Employed Individuals, and Sole Proprietors.</u>



We hope you have found useful information to help you respond to recent legislative changes and operational and employee challenges as your organization begins to resume business.

If you did not attend ADP's Virtual Summit, <u>Looking Beyond the Curve: Recovery and Engagement in the New World of Work</u> on May 29, 2020, check out its more than 18 on-demand sessions. Topics include: payroll tax deferrals, leave management, HR outsourcing, employee engagement, safety and privacy, agile pay practices, financial wellness, global payroll and more.

- Stay connected: Sign up for the **SPARK newsletter**.
- For real-time regulatory and legislative compliance alerts, please subscribe to Eye on Washington.
- Be on the lookout for the next <u>ADP-hosted virtual discussion</u>.
- Find more information on how <u>ADP can help</u> navigate the next stages and your return to work.
- Stay informed about the latest **COVID-19 updates**.
- Reach out to your local ADP Representative for more information.



