
Employee temporary layoff policy template

This **Temporary Layoff policy** template is ready to be tailored to your company's needs and should be considered a starting point for setting up your employment policies.

Policy brief & purpose

Our Temporary Layoff policy outlines our rules for temporarily suspending our employees.

We recognize that layoffs (especially on a large scale) affect morale and job satisfaction. For this reason, we see layoffs as a last resort during hard times.

Scope

This policy applies to all our permanent full-time or part-time employees.

Laying off exempt employees may be different than laying off non-exempt employees. We will comply with the law at all times.

Policy elements

“Temporary layoff” refers to reducing the number of our employees on a short-term basis. Sometimes, we may ask employees to take planned unpaid or partially-paid time off from work for a specific period (“furlough.”) We may decide to lay off employees to:

- Cut costs.
- Increase efficiency.
- Restructure our organization.

This list is not exhaustive. We may have to take part in temporary layoffs for other reasons too. Examples are:

- Employees' job duties are reduced.
- The branch employees work in needs to be restructured, moved or closed.

Temporary layoff elements

We will give our employees a written [*two-month*] notice, or as much as is specified by law, before the effective layoff date. If we are unable to give notice before the employee has to stop working,

we will pay our employee in lieu of the notice period.

Temporary layoffs may last from days to several months. We may set a temporary layoff period (if it's not set by law), during which we may recall laid off employees to resume working for us. During that period, employees may continue to receive pay and benefits dictated by law (e.g. unemployment benefits or health insurance.)

This period may be extended due to unforeseen circumstances. We are obliged to give notice of extension in this case.

If we recall a laid-off employee within that period, there are two possibilities:

- The employee returns to work for us in the same or similar position.
- The employee does not wish to return and officially or unofficially resigns.

In any case, employees should formally accept or refuse to return to work within [five days] after they receive a recall request. If an employee finds another permanent job during the recall period, they must notify HR within [three days] of a recall request. In this case, they lose the right to be recalled.

If we don't recall a laid-off employee within that period, we will inform them with an official letter within [two days] that we are permanently terminating them. We will pay them what the law requires (e.g. severance pay) from the first day of termination.

The first day of an employee's termination is the first day of their layoff, unless applicable law dictates otherwise.

Selecting employees for layoff

When collective temporary layoffs are necessary, we will select employees according to the following criteria:

- [Levels of performance]
- [Length of service]
- [Workload]

We will not discriminate against protected characteristics. HR is responsible for ensuring that layoffs will not have an adverse impact on protected groups.

Branches, offices or departments may need to close if they aren't profitable or critical to the business.

HR, senior management or Heads of Departments may initiate a temporary layoff process. HR is responsible for ensuring legality and efficiency.

Employee Rehire

During the temporary layoff period, employees may apply to another department or branch of our company. We encourage supervisors to refer good employees to another assignment or position within our company. In the case of the laid-off employee being rehired, their temporary layoff period will end and they won't be eligible for severance pay from their first day in a new role.

If employees receive severance pay for a certain period, they must not work for our company during that period. If we rehire them in a different department or branch, before the severance period ends, they have to return the remaining portion of their severance payment. Employees may make arrangements for repaying that balance with HR.

Grievances

If employees have any questions they can contact HR. If there are disagreements or complaints, we advise our employees to follow our grievance procedure.

Procedure

This general procedure should be followed:

- [HR/Senior management/Department Heads] identify the need for reducing staff.
- [HR/Senior management/Department Heads] select the positions, teams or departments that should be abolished, or branches that should close according to established criteria.
- HR ensures that no discrimination has taken place and that there won't be an adverse impact on protected groups.
- HR/Senior management consults with an attorney to ensure legality of the process.
- [HR/Department Heads] notify employees selected for layoff through an official letter explaining the reasons for laying off employees and whether they should expect to be recalled.
- HR is responsible for discussing the layoff terms with affected employees and addressing any outstanding payments and documentation.

Disclaimer: This policy template is meant to provide general guidelines and should be used as a reference. It may not take into account all relevant local, state or federal laws and is not a legal document. Neither the author nor Workable will assume any legal liability that may arise from the use of this policy.

Further reading:

- [How to fire an employee gracefully – 5 ways to do it right](#)
- [Sample letter: Employment termination for cause](#)
- [Sample letter: Termination of a contract employee](#)