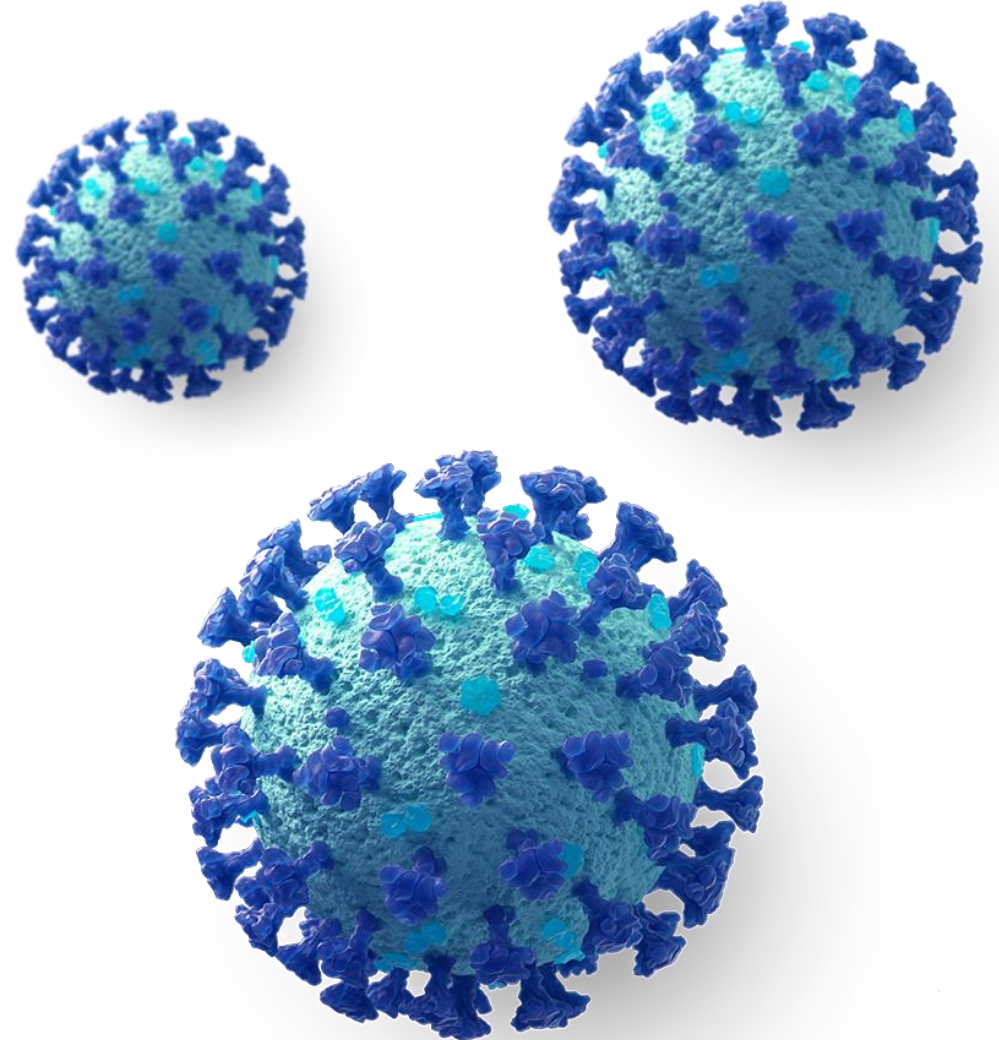**MERCER**

U.S. COVID-19 Services and Resources

Return to the Workplace Collaborative

July 27th , 2020

US Employers Leading through the Pandemic

HIGHLIGHTS FROM A **MARCH 31-APRIL 17** SURVEY OF 583 US EMPLOYERS

As employers work on managing the coronavirus impact on their business, employees and organization infrastructure, efforts are starting to shift from a crisis response towards ensuring business continuity is in place and providing support for their essential and remote workforce. They must continue to weigh cost-management strategies such as layoffs, furloughs, and compensation adjustments as they refine efforts to support employees in the "new normal" environment -- expanded access to care, flexible work arrangements, mental health and financial services.

Employee Support	Labor Cost Reductions	Pay & Leaves	Health Benefits
15%/9% are providing / considering a **back-up childcare benefit**	**37%** have implemented or are considering **furloughs**	**49%** have added or modified an **emergency leave policy**	**32%** are considering providing health benefits to **non-covered workers**
39% provide **teletherapy** beyond the EAP	**26% / 11%** are considering **significant furloughs** of hourly / salaried employees*	**22% / 13%** are providing **additional pay** to essential hourly / salaried workers†	**54%** have begun **financial impact analysis** for 2020 COVID-related health claims
20% have added **financial well-being** resources	**25%** have implemented or are considering **layoffs**	**23%** have implemented or are considering **pay reductions**	Over half of those who have developed assumptions believe **cost will increase** by **5% or less**
50% provide **virtual socializing**	**48%** have implemented or are considering a **hiring freeze**	**17%** have implemented or are considering a **pay freeze**	**15%** already expect **health benefit cost reductions** will be needed in 2021

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To see the complete results and the actual question wording for the data shown above, visit the national results here

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*Among respondents that are considering furloughs †Among respondents with employees in these categories

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COVID-19
update
COMPLIANCE ISSUES

EEOC Return-to-WorkSITE/Staffing Considerations

EEOC: employers may ask employees if they are experiencing COVID-19 symptoms

- Must maintain all information about any employee illness as a confidential medical record in compliance with the ADA
- Don't forget about individual state law overlay

EEOC: employers may engage in temperature checks of employees (but warns that some employees may be asymptomatic)

- Ensure compliance with ADA confidentiality requirements
- Don't forget about state law overlay

EEOC: employers may also test employees for *the COVID-19 virus*

- Ensure compliance with ADA confidentiality requirements
- Don't forget about state law overlay

It is unclear the extent to which an employer can test employees for antibodies for COVID-19

- Presumably OK under similar analysis used by EEOC to permit viral testing

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EEOC Return-to-WorkSITE/Staffing Considerations

Can employers tell an employee with (or suspected of having) COVID-19 to go/stay home?	• Yes. An employer may tell an employee to go/stay home if they test positive for COVID-19 or otherwise have symptoms of COVID-19
Can employers tell older workers not to come to work for their safety?	• No. An employer **cannot** prohibit older employees from coming to work (consider whether garden leave is permitted)
Can employers tell "higher risk" workers not to come to work for their safety?	• No. However, the employer may allow for telework
What can/may employers do if an employee is afraid to come back to work?	• It depends. The employer will need to evaluate whether employee has a legal basis for staying home. If none, it becomes an employee relations issue.

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Other Return-to-WorkSITE/Staffing Considerations

Seek legal input

- Consult with legal counsel
- Use CDC and other public health authorities' guidance when asking screening questions
- Fitness-for-duty documentation is allowed, but CDC and EEOC point out it may be unreasonable
- Apply policies on uniform, consistent basis

Confidentiality

- Treat testing/questions as a confidential medical record, stored separately from employee's personnel file
- Employer may disclose name of employee who tests positive to a public health agency
- In general, this health information will be created or maintained by the employer, not group health plan, so HIPAA does not apply

Permitted cafeteria plan election changes

- If there is no change in plan eligibility upon return to work, then election change would generally not be permitted
- Enrollment in plans if employee regains eligibility upon return from leave
- Allow increase in Dependent Care FSA contributions based on cost/coverage change

Repaying required employee contributions

- If employer covered employee's contributions while on furlough, consider how employees will repay contributions over remaining pay periods in plan year

Navigating the Pandemic Response Lifecycle
The Three R's: A framework for recovery

The COVID-19 pandemic has changed the way we work and these changes are permeating far beyond the peak of the contagion. As we navigate these unchartered waters we find ourselves dealing simultaneously with health crises, digital crises and economic crises.
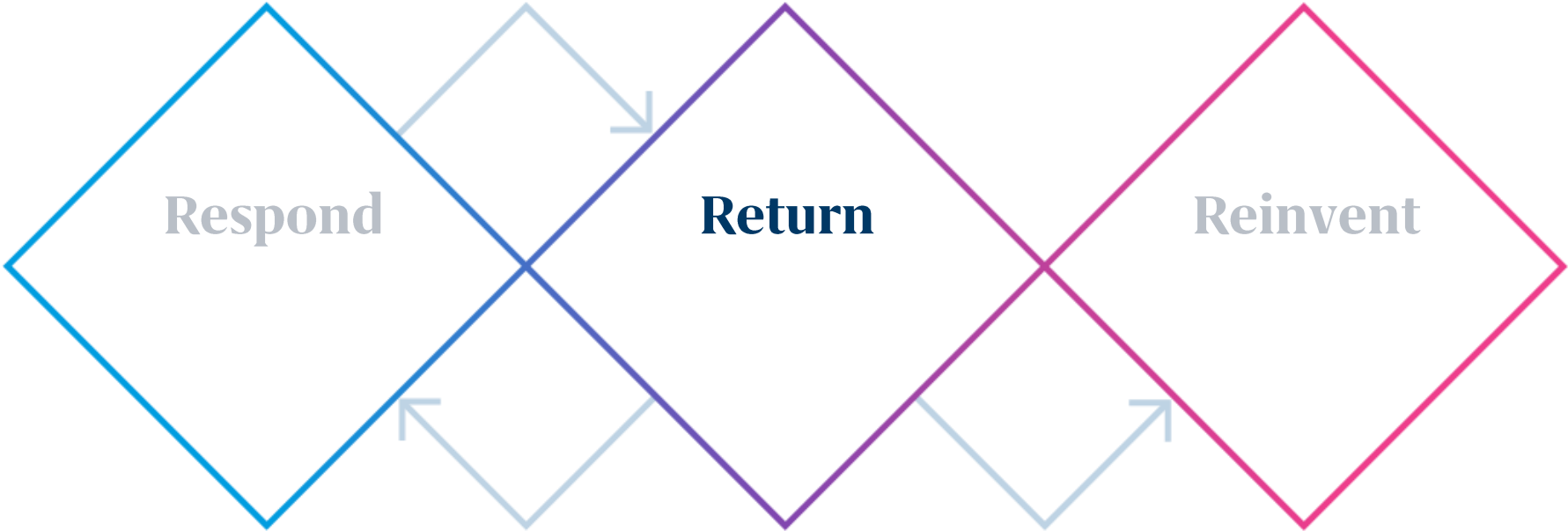
Respond

Return

Reinvent
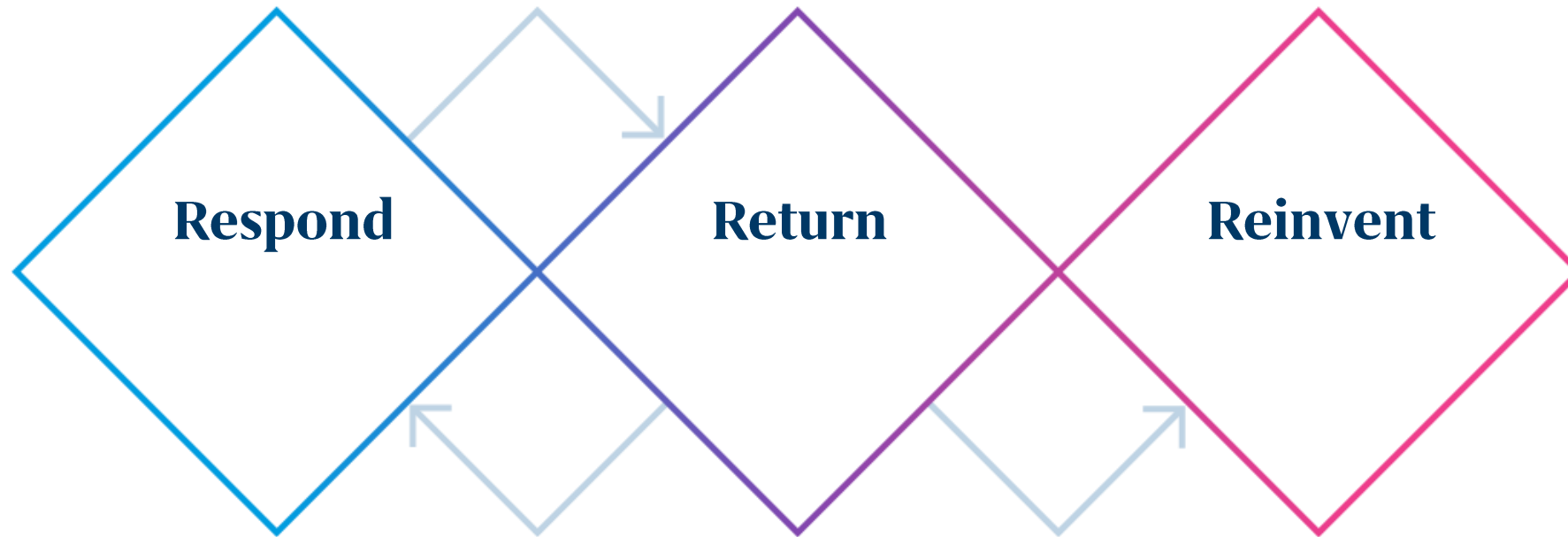
What we are finding is that companies are alternating between the phases depending on the course of the pandemic, government responses and the resilience of their industry & business.

Navigating the Pandemic Response Lifecycle
Approaching the "return" stage

What do you need to think about at the "return" stage, and how will you prepare
to revert to "respond" or progress to "reinvent"?

Respond　　　**Return**　　　**Reinvent**

Navigating the Pandemic Response Lifecycle
A framework for the "return" stage

Return

Workplace and Worker Readiness

- Preparing the worksite for workers to safely return
- Identifying and preparing workers to return to the worksite
- Evaluating worksite visitor, vendor and non-employee policies

Workforce Support

- Supporting workers returning to the worksite
- Supporting remote workers
- Managing furlough commitments

Enterprise Resilience

- Preparation and planning for mitigation of future outbreaks and potential impacts

Financial Considerations

- Cost implications of returning to the worksite
- Capital and cash flow management considerations

Return to the workplace collaborative
Key questions for employers

Return

There are a multitude of considerations an employer needs to address when preparing to reopen. Our framework enables employers to address short and long term needs:

Workplace and Worker Readiness

- What criteria will be used to assess readiness to open?
- Which workers will return to work when?
- How will workers accomplish social distancing?
- How will physical and emotional readiness to return to work be assessed?
- What are the appropriate clinical guidelines for returning to work?
- How will worksite visitor, vendor or non-employee policies be amended?

Workforce Support

- Will compensation and rewards be adjusted to support onsite workers?
- What expanded benefits will be made available? (Virtual care, behavioral health, and caregiving support will be key)
- How will leave/PTO policies be impacted?
- What adjustments need to be made to the talent management strategy?
- How will workers who continue to operate remotely be supported?
- How have participants reacted financially to the disruption? (CARES Act distributions and loans, other 401(k) changes)

Enterprise Resilience

- What criteria will be used to determine if safety is being maintained?
- How will ongoing employee health be monitored?
- How will the organization respond if there is a resurgence of the disease in a geography or population?
- How and when will monitoring and intervention be communicated to key stakeholders?
- How will the needs and perceptions of the workforce be monitored?
- How can we ensure focus on core business activities (outsourcing non-core e.g. 401(K) responsibilities)?

Planning for a return to the worksite must consider the financial implications of how, when, and which workers return

Return to the workplace collaborative
## Workplace and worker readiness

Return

We can help...

- Facility opening validations (engineering, security, safety and hazards)
- Functional redesign services to protect worker and customer safety
- Work conditioning program for employees
- Clinical guidance on physical worksite safety (screening, PPE, social distancing, antibody testing)
- Communication and engagement strategies
- Employee demographic analysis for returning to work

Employers need to prepare the place of work and the employee for return. How can this be done thoughtfully? What do you need to consider?

Strategic Financial Support
- FEMA and CARES Act claim recovery

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Return to the workplace collaborative
Workforce support
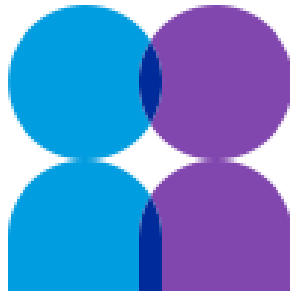
Return

Employee wellbeing is critical. Employees are facing hardships like they've never experienced. Employers need to ensure their employees are safe and have the resources they need to thrive.

We can help...

- Compensation and rewards
- Talent management and succession planning
- Communication and engagement plans
- Health and welfare benefits
- Leave and PTO design and management
- Behavioral health support
- Caregiving support
- Business continuity support services
- Return to travel planning
- Regulatory compliance support
- Remote worker support
- Enhanced employee complaint reporting procedures
- Analyze employee 401(k) behavior

Strategic Financial Support

- Cost containment strategies for talent management, health and benefits

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Enterprise resilience

Employers and employees need to be prepared for mitigation of future outbreaks and potential impacts, whether a near term resurgence or a new situation

Return

We can help...

- Crisis management planning & situational monitoring
- Support team development & cross-functional planning
- C-suite and board pandemic advisory and analytic decision making services
- Communication and engagement strategies
- Employee listening and real-time insights
- Exposure/quarantine planning/policies
- Clinical oversight and analysis
- Refining business disruption plan
- Workers' compensation claim analytics
- Explore additional 401(k) outsourcing options

Strategic Financial Support
- Audit carrier contracts and negotiate reimbursement
- Workers' Compensation, Auto Liability, General Liability claims oversight and cost mitigation
- Liquidity & claim liability management

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Supporting the workforce
Key takeaways

Engage with empathy

- Communicate what you're doing and why you're doing it before you do it

- Get started with the most appropriate return-to-work process for your circumstances and adjust and refine as you go — things are fluid!

Define who needs to return

- Be clear about who is an essential (critical) employee and needs to return to work – and who is not.

- Not all job functions require being physically present
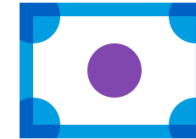
Pay for employees

- Employers are considering or enacting temporary pay premiums or incentives and ensuring paid leave is available

- Employers are considering temporary talent swaps to match with an employer that can complement your current staffing needs

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Navigating the Pandemic Response Lifecycle
Practical Tools to Help You Navigate COVID-19

Mercer Thought Leadership

Marsh Thought Leadership

MMC Thought Leadership