



Worker Adjustment and Retraining Notification Act (WARN): Fact Sheet

California

In California the WARN act is regulated by Labor Code sections 1400-1408

What employers are covered?

Employers with 100 or more full-time employees

What is covered?

Relocations, Terminations, and Mass Layoffs

What does it require?

Employers must provide 60 days advance notice of mass layoffs or plant closings to employees and the EDD in accordance with the Federal WARN act requirements

What is a “plant closing”?

The shutdown of an employment location with the loss of:

- 50 or more employees in 30 days or
- 50 or more employees in two or more events over the course of 90 days

What is a “mass layoff”?

A workforce reduction that results in either of the following:

- A reduction of an employer’s total workforce by at least 33% and at least 50 employees
- A loss of 500 or more employees

What is “employment loss”?

- Termination, other than for cause or a voluntary resignation
- Layoffs exceeding 6 months
- A reduction in hours by more than 50% over a 6 month period

What are the notice requirements?

- An employer must provide written notice to affected employees and/or union representatives that is received by those individuals at least 60 days before the event
- Notice must also be provided to local government and the appropriate State dislocated worker unit

Exceptions:

In the following circumstance, an employer may avoid the 60 day notice requirement and provide notice as soon as possible by requesting the Director of the Department of Industrial Relations grant an exemption:

- Natural disasters
- Unforeseeable business circumstances
- Faltering company

What are the potential penalties?

- Back pay
- Cost of benefits
- Up to a maximum of 60 days or one-half the number of days that the employee was employed by the employer, whichever is smaller

Top WARN tips

- Provide notice of mass layoffs and plant closings as soon as possible
- Provide additional notice if the scheduled event is delayed
- Pre-sale of business: seller must provide required notice
- Post-sale: buyer must provide notice
- A sale does not require notice unless it triggers a plant closing or mass layoff