

IMPLEMENTING LAYOFF POLICIES AND PROCEDURES

by Gretchen Tucker

Last month, the Legal Corner discussed the use of layoffs as an alternative to redundancy and instances where the option is available to employers under Bermuda law. In practice, however, simply adhering to Bermuda's statutory requirements will not guarantee the smooth operation of a layoff scheme – this can only be achieved through employers establishing and adhering to robust layoff policies and procedures.

A layoff policy should be comprehensive to ensure that the layoff process is well-structured and fair and include:

- A formal justification of the need for layoffs;
- The goals to be achieved;
- The criteria and procedure for determining the affected employees; and
- The role of the company management and HR in the selection process.

At the earliest opportunity, employees should be provided with formal notice of potential layoffs at an all-employee meeting to ensure that communication regarding the company's decision is consistent. Every stage of the layoff process should be well-documented and once a layoff decision has been made, an internal checklist should be compiled to ensure that all aspects of the layoff are completed.

By adhering to such policies, an employer can significantly reduce the risk of any successful claims being brought against them by employees and can ensure that the use of layoffs, as an alternative to redundancy, has a better chance of achieving its intended purpose – the survival of the employment relationship.

This article has been written by:

Bermuda

Gretchen Tucker

Associate

+1 441 298 3228

gtucker@applebyglobal.com

Gretchen Tucker is an Associate in the Dispute Resolution Department at Appleby. This article originally appeared in the Bermuda Chamber of Commerce 'Chamber Insider' newsletter