

IMPORTANT STAFFING CONSIDERATIONS IN RESPONSE TO COVID-19

As churches and ministries adapt to changes as a result of the coronavirus (COVID-19) crisis, some may be considering budget cuts or staffing adjustments. The following scenarios outline some of the options available should you need to make any employee changes at this time:



Remember that any changes made to an employee's status or hours could affect his or her eligibility for benefits.

1: MAINTAIN STATUS QUO

- All staff members remain at their current compensation and continue receiving the same level of employee benefits.
- The recently passed CARES Act may provide relief for employers, including churches and ministries, who choose to retain their employees. The legislation offers assistance such as payroll tax credits, tax deferrals and loans.
- If a church or ministry receives a Small Business Administration Paycheck Protection Program (PPP) loan and does not terminate employees, it may be eligible to have the entire loan forgiven.
- Active employees may still take unpaid, job-protected leave for specified family and medical reasons while maintaining group health coverage under the same terms and conditions through the Family and Medical Leave Act (FMLA), as the law exists and functions as it did prior to the coronavirus pandemic. It is important to note:
 - Laid-off or furloughed employees are not eligible for FMLA.
 - Extended FMLA – The Families First Coronavirus Response Act (FFCRA) that was recently passed by Congress created two new requirements for employers with fewer than 500 employees:
 - Employers must offer two weeks of paid sick leave.
 - Unless an exempt small employer, employers must offer 10 weeks of paid childcare leave, specifically for those individuals whose childcare has been impacted by the coronavirus pandemic.
- For more information on eligibility and pay requirements, visit the Department of Labor (DOL) website.

2: REDUCE PAY AND/OR BENEFITS

- A reduction in medical benefits is generally considered a material change in coverage, and employees must be notified about the change 60 days in advance.
- State employment laws vary, so check with knowledgeable legal counsel to fully understand any requirements that apply to you.
- If a church received a PPP loan and subsequently reduces its workforce by more than 25%, the loan may not be eligible for forgiveness.



3: REDUCE THE HOURS OF NON-EXEMPT EMPLOYEES

- Reducing the hours of non-exempt employees may change their eligibility for medical coverage, disability and life insurance. It may also change the value of other benefits that are calculated based on their salary, such as term life insurance.
- Under the CARES Act, state unemployment benefits may be proportionally available for employees with reduced hours.
- Reduced hours may impact an employee's eligibility to participate in GuideStone® medical coverage continuation. Review GuideStone's [eligibility requirements](#) here. Churches with medical coverage through other carriers should contact the benefit administrator to discuss their requirements.

4: IMPLEMENT A LEAVE OF ABSENCE OR FURLOUGH

- Employees may be able to remain employees of the church or ministry despite the fact they are not working, and there may be certain benefits and compensation considerations and/or changes.
- Contact the church's benefit administrator to ask how employees' benefits on leave of absence may be impacted.
- For churches with GuideStone coverage, employees on a leave of absence or furlough may qualify for GuideStone medical and dental continuation and may be able to continue their life and disability coverage for 12 months, so long as their premiums continue to be paid.
- Furloughed employees are not eligible for the new, expanded FMLA coverage as outlined by the [DOL](#).

5: CONDUCT TERMINATIONS AND LAYOFFS

- In this situation, the employee is no longer employed by your ministry. Continuation of medical and dental benefits for GuideStone plans (or COBRA for ERISA plans) may be available.
- Terminated employees may be eligible for extended state unemployment benefits as outlined by the [DOL](#).

For details on any of these options and others that you may have during this crisis, contact your church or ministry's legal counsel.

Visit [GuideStone.org/Coronavirus](https://www.guidestone.org/coronavirus) for additional information and resources designed to help keep your life and ministry moving forward during this unexpected season.

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