DENEHY CLUB *thinking partners*

ANSWERS TO YOUR STAFFING QUESTIONS

*Thank you to everyone who attended our National Club Association Webinar - Coronavirus Response: Staffing Until Labor Day on March 27, 2020. The following are answers to questions that we were not able to answer live during the webinar. I want thank Anne Catherine Nielsen, SPHR, SHRM-SCP, an HR Consultant and Business Partner of EquaMagna and Peter Petrina of Petrina Group International for participating on the panel with myself, Kirk Reese and Bob James. These are challenging times for our industry that have forced us to look at our businesses with different and multiple lenses. We will continue to share our insight and findings from our research and work with clients in developing Resiliency Plans in response to COVID-19. Lastly, the NCA Webinars continue to inspire and educate us on how clubs can safely and effectively navigate this unprecedented crisis. We are proud to be NCA's Strategic Alliance Partner and encourage you to visit their support site **here** for future webinars and resources.*

Listen To Webinar: Staffing Until Labor Day

It's true the labor market will have premium talent available but with most clubs struggling to get back on their feet, how can they afford the premium talent?

There is a good chance that premium talent may be available when the restrictions are lifted but they are likely to gravitate toward the better paid positions. If your club is the first out there placing employment ads, you may well find that a lot of candidates will apply; they are the early responders, driven to do so by their precarious financial situation and willing to jump on the first job that can put some dollars in their pocket. But these employees will continue to look for that better job and jump when they find it and so on. I anticipate there will be a period of time for the dust to settle during which time those employees who can (the top talent) will move about from job to job leveraging their skills until they find something they like.

In this day and age, money will be the principal driver for many of these employees. But, as we discussed during the webinar, you may be able to save some money eliminating the subpar performers and focus instead on the premium talent which may cost more but may be worth it in the longer term
– Peter Petrina, Petrina Group International, pp_petrina@petrinagroup.com

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How are you seeing seasonal clubs in the Northeast dealing with the loss of staff due to FL clubs sending H2B's home already?

We are seeing a lot of that, unfortunately. Some of the FL clubs jumped to decisions early on and sent as many of their H2Bs home as they could, irrespective of whether these workers had contracts to go north. Unfortunately, because most of the northern properties are barely now able to file petitions with USCIS, it meant that these workers could not be saved legally.

On the other side, there were properties north which cancelled their H2B program as well; this freed up H2Bs who started to look around for opportunities with other clubs. Many things have to be aligned for such a shift to happen though. There are clubs who lost people and cannot find replacements; they will just have to fend for themselves.
– Peter Petrina, Petrina Group International, pp_petrina@petrinagroup.com

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For employees eligible for FMLA because they have children now staying home, does the fact that they can do their job remotely make them ineligible? If they have the capacity to work from home, would they now be telecommuters?

Here is the information I was able to find associated with the FFCRA that just came into effect on April 1st, that will answer your questions related to teleworking and benefit availability: Excerpts from Families First to the Coronavirus Response Act FAQ:
https://www.dol.gov/agencies/whd/pandemic/ffcra-questions

If I am or become unable to telework, am I entitled to paid sick leave or expanded family and medical leave?
If your employer permits teleworking—for example, allows you to perform certain tasks or work a certain number of hours from home or at a location other than your normal workplace—and you are unable to perform those tasks or work the required hours because of one of the qualifying reasons for paid sick leave, then you are entitled to take paid sick leave.
Similarly, if you are unable to perform those teleworking tasks or work the required teleworking hours because you need to care for your child whose school or place of care is closed, or child care provider is unavailable, because of COVID-19 related reasons, then you are entitled to take expanded family and medical leave.
Of course, to the extent you are able to telework while caring for your child, paid sick leave and expanded family and medical leave is not available.
-- Anne Catherine Nielsen, EquaMagna, annecatherine@equamagna.com

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May I take my paid sick leave or expanded family and medical leave intermittently while teleworking?

Yes, if your employer allows it and if you are unable to telework your normal schedule of hours due to one of the qualifying reasons in the Emergency Paid Sick Leave Act. In that situation, you and your employer may agree that you may take paid sick leave intermittently while teleworking. Similarly, if you are prevented from teleworking your normal schedule of hours because you need to care for your child whose school or place of care is closed, or child care provider is unavailable, because of COVID-19 related reasons, you and your employer may agree that you can take expanded family medical leave intermittently while teleworking.

You may take intermittent leave in any increment, provided that you and your employer agree. For example, if you agree on a 90-minute increment, you could telework from 1:00 PM to 2:30 PM, take leave from 2:30 PM to 4:00 PM, and then return to teleworking.

The Department encourages employers and employees to collaborate to achieve flexibility and meet mutual needs, and the Department is supportive of such voluntary arrangements that combine telework and intermittent leave.
-- Anne Catherine Nielsen, EquaMagna, annecatherine@equamagna.com

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For the Emergency Paid Sick Leave, is it based on the pay date or the actual date worked? For example, if they are paid for March 15 to 31, but are paid on April 6, does it count or not?

The short answer is that the Emergency Paid Sick Leave will be calculated based on your regular rate of pay and will cover you for up to a maximum of 80 hours of pay for actual days you are unable to work or telework, regardless of your pay cycle. Please also note that the FFCRA's paid leave provisions take effect on April 1, 2020, and apply to leave taken between April 1, 2020, and December 31, 2020.

I found additional information relative to calculating that Sick Pay that you may also find relevant: Excerpts from Families First to the Coronavirus Response Act FAQ found here:
https://www.dol.gov/agencies/whd/pandemic/ffcra-questions

As an employee, how much will I be paid while taking paid sick leave or expanded family and medical leave under the FFCRA?
It depends on your normal schedule as well as why you are taking leave.
If you are taking paid sick leave because you are unable to work or telework due to a need for leave because you (1) are subject to a Federal, State, or local quarantine or isolation order related to COVID-19; (2) have been advised by a health care provider to self-quarantine due to concerns related to COVID-19; or (3) are experiencing symptoms of COVID-19 and are seeking medical diagnosis, you will receive for each applicable hour the greater of:

- your regular rate of pay
- the federal minimum wage in effect under the FLSA, or
- the applicable State or local minimum wage.

In these circumstances, you are entitled to a maximum of $511 per day, or $5,110 total over the entire paid sick leave period.
If you are taking paid sick leave because you are: (1) caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or an individual who has been advised by a health care provider to self-quarantine due to concerns related to COVID-19; (2) caring for your child whose school or place of care is closed, or child care provider is unavailable, due to COVID-19 related reasons; or (3) experiencing any other substantially-similar condition that may arise, as specified by the Secretary of Health and Human Services, you are entitled to compensation at 2/3 of the greater of the amounts above.
Under these circumstances, you are subject to a maximum of $200 per day, or $2,000 over the entire two-week period.
If you are taking expanded family and medical leave, you may take paid sick leave for the first two weeks of that leave period, or you may substitute any accrued vacation leave, personal leave, or medical or sick leave you have under your employer's policy. For the following ten weeks, you will be paid for your leave at an amount no less than 2/3 of your regular rate of pay for the hours you would be normally scheduled to work. If

you take paid sick leave during the first two weeks of unpaid expanded family and medical leave, you will not receive more than $200 per day or $12,000 for the twelve weeks that include both paid sick leave and expanded family and medical leave when you are on leave to care for your child whose school or place of care is closed, or child care provider is unavailable, due to COVID-19 related reasons. If you take employer-provided accrued leave during those first two weeks, you are entitled to the full amount for such accrued leave, even if that is greater than $200 per day.

What is my regular rate of pay for purposes of the FFCRA?
For purposes of the FFCRA, the regular rate of pay used to calculate your paid leave is the average of your regular rate over a period of up to six months prior to the date on which you take leave.
If you have not worked for your current employer for six months, the regular rate used to calculate your paid leave is the average of your regular rate of pay for each week you have worked for your current employer.
If you are paid with commissions, tips, or piece rates, these amounts will be incorporated into the above calculation to the same extent they are included in the calculation of the regular rate under the FLSA.
You can also compute this amount for each employee by adding all compensation that is part of the regular rate over the above period and divide that sum by all hours actually worked in the same period.
-- Anne Catherine Nielsen, EquaMagna, annecatherine@equamagna.com

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Is there any thought that with additional unemployment for 5 months, staff will not come back?

I think your question and concern are very relevant, in particular given that we are coming out of a tight labor market into the current pandemic situation where many employers are forced to furlough their employees to maintain their businesses, certainly a tough environment to cultivate employee loyalty.
Many States provide 26 weeks of benefits, though some states have trimmed that back while others provide a sliding scale tied to unemployment levels. The Cares Act Bill provides all eligible workers with an additional 13 weeks. So, participants in States with 26 weeks would be eligible for a total of 39 weeks. The total amount cannot exceed 39 weeks, but it may be shorter in certain states.
The additional $600/week stimulus provided by the Federal Government to complement State unemployment benefits, is currently made available through July 31st. After that unemployment will be based on the State benefit, prompting employees to come back to work in order to get their full paycheck. It is hard to predict how long the Pandemic will last and how soon businesses will be able to resume. The additional 13 weeks of unemployment may provide the necessary buffer to help employees and employers get back up and running. As businesses start ramping up, it will be critical though to think about how to optimize your recruitment and onboarding practices and review your compensation strategy, to ensure optimal talent attraction and retention.
-- Anne Catherine Nielsen, EquaMagna, annecatherine@equamagna.com

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Our FY is here, and we have written a Dues increase into the budget. There has been a lot of discussion about not executing this increase, but ultimately, the Board has decided we need the increase. Does the panel have any thoughts on this?

Ray Cronin from **Club Benchmarking** did an analysis of medium size clubs and conservatively calculated that 70% of the clubs' expenses are basically fixed (allocating 40% of hourly pay, 40% of all Cost of Goods and 40% of all supplies and chemicals for all departments as variable.)

He provided two graphs (**click here**):
1. Paying hourly staff
2. Not paying hourly staff but continuing to charge full dues.

It is relatively easy for a manager to redraft your monthly budgets applying similar reasonable assumptions such as Ray's to determine your monthly profit or loss for each month, with or without full or partial payroll and at different operating levels. If you wish a more precise budget, call in (literally call in) your department managers to work through each line item in their budgets with you. While it might be tempting to do this once and create an average month, you'll get better results if you reforecast each month, well past when you expect to return to normal, and be conservative as to how soon that might be and what business you may lose. Do this exercise each month to perfect future month's reforecasts. On a spread sheet, take your year to date numbers and add each reforested month through the end of your year. Although with the club closing and payroll cuts you may turn months that were historically a loss into a profit, you may find that the historical profitable months may turn negative. For example, clubs with a high percentage of outing and banquet business in the fall, may not realize all those customary revenues. If you show a reliable profit overall, you might consider whether your current dues are sufficient, whether you need an increase, or if necessary, that you reduce dues. Monthly cash flow should also be considered. No one can predict how fast we will return to pre 2020 business levels, if ever, but unless you plan to permanently trim back your operations and can reliably predict your membership renewals, you may need that dues increase in the future.
-- Bob James, DENEHY Club Thinking Partners, bob@denehyctp.com

Special Thanks To Our Partners:

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