

CLIENT ALERT: New York Enacts New Plant Closing Law

New York has recently enacted a plant closing law which will become effective February 1, 2009. The New York State Worker Adjustment and Retraining Notification Act applies to employers of 50 or more employees, excluding part-timers.

The law, modeled after (although not identical to) the Federal Worker Adjustment and Retraining Notification Act, requires employers to provide employees 90 days written notice of plant closings, relocations, and mass layoffs. Plant closings are defined as the permanent or temporary shutdown of one or more facilities resulting in an employment loss at a single site of 25 or more employees during any 30 day period. A mass layoff is defined as a reduction in force resulting at a single site in an employment loss of at least 1/3 of the work force totaling 25 employees or more (excluding part-timers) or an employment loss of at least 250 employees (excluding part-timers).

The New York law includes exceptions for closings or mass layoffs resulting from physical calamity, including any form of natural disaster, acts of terrorism and war. The law also provides an exception where an employer is actively seeking capital or business to avoid or postpone the closing, relocation or mass layoff.

New York now joins a growing number of other states who have enacted their own plant closing legislation to supplement the federal law. Employers should carefully plan any workforce restructuring and reductions in force and should consult with their employment attorney well in advance to ensure compliance with federal and state law.

If you require more information about the plant closing law and reductions in force, please contact Nathan Kaitz or your MBJ attorney.

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