

Client Alert

DOL Guidance on WARN Act Requirements

August 1, 2012

On July 30, in the latest twist in the ongoing drama surrounding the sequestration process, the Department of Labor issued guidance regarding federal contractors' responsibilities under the Worker Adjustment and Retraining Notification (WARN) Act, stating that, "in the context of prospective across-the-board budget cuts ..., WARN Act notice[s] to employees of Federal contractors, including in the defense industry, is not required 60 days in advance of January 2, 2013, and would be inappropriate, given the lack of certainty about how the budget cuts will be implemented and the possibility that the sequester will be avoided before January." Adding to the growing confusion over mandatory sequestration cuts slated to begin January 2, DOL's guidance (which does not carry the force and effect of law) states that, although sequestration "may" occur, it is "not necessarily foreseeable," in part because agencies "have some discretion in how to implement the required reductions if sequestration were to occur," and, on that basis, DOL's guidance states that contractors would be excused from the WARN Act's 60-day notification requirement in the event of sequestration. For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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