

# CORONAVIRUS

## FAQS FOR FLEXIBLE OFFICE OPERATORS

**We already have a number of members asking to pause and or cancel. How are others handling those requests? Particularly if your space is closed.**

One of the things to implore to members who are considering cancelling their membership is that you both have to work together. You should remind them that you can't provide them a community, if they don't invest in you. Remind them that you will continue to invest in them now and in the future.

**Does unemployment insurance apply to self employed people or only employees? But what about the owner?**

It depends on your state. In the case of California, for example, if you are self-employed and unable to work or have had your hours reduced due to COVID-19, you may be eligible for Unemployment Insurance (UI) benefits under a few different scenarios: 1) You chose to contribute to UI Elective Coverage and paid the required contributions to be considered potentially eligible for benefits. 2) Your past employer made contributions on your behalf over the past 5 to 18 months. 3) You may have been misclassified as an independent contractor instead of an employee. For the most accurate information, consult with an employment attorney in your state.

**We're considering putting all employees both exempt and non-exempt on a 20 hour work week and commensurate salary? Is this advisable?**

You have the right and flexibility to reduce the hours for any of your non-exempt employees and pay them accordingly. However, employers must be careful in reducing the salary of your exempt employees simply because you now have a lower hour expectation. This is because by definition an exempt employee is paid a set salary to perform a particular job regardless of how many hours worked during a workweek. Some weeks may require the employee to work 30 hours, sometimes 50 hours but the salary doesn't change. However, an employer has the right to simply reduce exempt employees' salary prospectively for a variety of business reasons. It just should not be tied to the number of hours worked. Also, it is important to ensure that the employee is still earning a salary of two times the state minimum wage to ensure the exemption remains intact.

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### **If I have to close my space, is it better to lay off my employees so they can collect unemployment?**

That is a business decision that is unique to each individual business. Some employers and employees are making the difficult decision that layoffs may be appropriate in some circumstances for both parties. However, note that in some states, unemployment may be available during this unique time to individuals who are still employed but have had their hours reduced or eliminated. Employers should also be aware that effective April 1, 2020, employees may be eligible for two weeks of Emergency Paid Sick Leave under the Families First Coronavirus Response Act. Employers are required to post the model notice found here: <https://www.dol.gov/agencies/whd/pandemic>.

### **If you were about to make a large investment in opening a new location, but could back out or delay without significant penalty, what would you do? Hold off. How would you analyze your options?**

Things are changing by the DAY. Give yourself 30-60 days. In the long run, this delay won't matter. Right now, maintain control of cash and manage risk.

### **What can we do for sales right now?**

You should continue to work every lead. Some operators have chosen to turn traditional in person selling to a virtual selling model . For example, using video and virtual tours. Another great idea is to allow people to do a floating start date anytime between today and 60 days from now.

### **Do you have any specific advice for a brand new coworking space?**

Stay close to your clients (e-mail, phone, app, social media) and communicate daily or at least every other day. Find ways to build community virtually, listen, and provide as many constants as possible. Bring expertise in areas where you feel comfortable providing guidance.