**[THIS TEMPLATE LETTER IS CURRENT AS AT 1 APRIL 2020]**

[INSERT DATE]

Dear Valued Employee

**RE: COVID-19 – PROPOSED NEXT STEPS FOR EMPLOYEES**

Firstly, we would like to take this opportunity to sincerely thank every single one of our employees for their dedication to our business, their patience and their courage during this extremely uncertain time.

As I am sure all employees can appreciate, small businesses have taken a substantial ‘hit’ following the outbreak of COVID-19 and the implications that have closely followed. Please rest assured that, as a business heavily impacted by the current climate, we are doing everything in our power to look after the business and its employees. However, with restrictions tightening and industries being shut down day-by-day this has proven to be an extremely difficult task.

That being said, and given that this situation is not going to be a short-term one (expected to last at least six (6) months), we have identified the next best steps for our employees moving forward.

After careful consideration of the best next steps for our business and employees and still ensuring that the business’ core values are maintained, we make the following recommendation to all of our employees:

1. [**Option One:**] firstly, if you have annual leave or long service leave entitlements accrued and would like to access those entitlements we are happy for you to do so. This means that for the period that you are on annual and/or long service leave and using up your entitlements, you will paid for that period of time as you normally would in those circumstances;
2. [**Option Two:**]firstly, if you have annual leave or long service leave entitlements accrued and would like to access those entitlements, we are happy to have further discussions with you in this regard surrounding when you can take those, for how long and so on. Should we allow you to take your annual leave or long service leave entitlements accrued, it means that for the period that you are on annual and/or long service leave and using up your entitlements, you will be paid for that period of time as you normally would in those circumstances;
3. otherwise and/or when employees have exhausted their annual leave entitlements, the next likely step for us given the current business climate and governmental directions which have impacted our business, is to stand those employees down that cannot be usefully employed in the business whilst the business is [functioning at a reduced capacity] **OR** [effectively closed];
4. when an employee is stood down it means:
	1. they do not get paid;
	2. they do continue to accrue leave in the usual way (i.e. annual leave, personal leave, long-service leave etc.); and
	3. they may be eligible to apply for Centrelink’s JobSeeker Payment or Youth Allowance as the eligibility for these entitlements have been broadened which, once successfully applied for and obtained, means they will also be eligible for an additional Coronavirus Supplement payment equal to $550 per fortnight plus some additional ‘one off’ payments (depending on eligibility).

[**INSERT IF**: you are happy for your employees to seek other employment while stood down, this is recommended. Note there are some benefits to this approach over redundancy, see our Generic Advice for some general commentary in that regard] The above being said, given the uncertainty around when and if our employees will be able to return to their usual roles within the business, we are encouraging all employees to actively seek alternative employment as an active step to minimise their own personal loss and the impact it could have on them and their families in this difficult time. Rest assured that if you do decide to take this step, we will continue to support you and work with you in any way possible.

We will, of course, continue to closely monitor the situation at hand and the directions given by the Government. However, looking after our employees is paramount which is why we felt it necessary to provide our employees with the guidance as outlined in this letter.

We look forward to hearing from you with regards to your proposed next steps.

If you have any questions or concerns, please do not hesitate to get in touch.

Yours faithfully

**[INSERT BUSINESS NAME]**

**[INSERT NAME]**

**[INSERT TITLE i.e. Director, Managing Director, Area Manager etc.]**