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How the Ukrainian Invasion Could Impact U.S.-Based Employees

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Russia's recent invasion of Ukraine—and the related sanctions against Russia— impacts your company's U.S. employees. How, you ask?

First, I don't need to belabor this point, but limiting Ukrainian and Russian trade puts stress on supply chains, leading to additional U.S. food and other shortages and adding fuel to the inflation fire. Employers might have to consider suspending projects or reducing production, leading to furloughs or layoffs. If the company's thinking about a layoff of more than a few dozen people, check the federal WARN Act as well as any WARN Act in the states where employees are working for notice requirements, which could be months in advance.

If they aren't planning to lay off workers, employers should be sensitive to the effects of the rising cost of living – consider small raises for valuable employees. Also, if pay issues become too important in the workforce overall, keep in mind that companies might have to fight union campaigns.

On the immigration front, over two million people have fled Ukraine; as of the time I'm writing this, many are expected to apply to come to the U.S. Moreover, on March 3, the Department of Homeland Security granted what's called Temporary Protected Status (TPS) to eligible Ukrainian nationals in the U.S. because of "ongoing armed conflict" and "extraordinary and temporary conditions." Those eligible for TPS must have continuously resided in the U.S. since March 1, 2022, or earlier. The TPS will last 18 months, and people applying for TPS may also apply for a document allowing them to work in the U.S. for the duration of their TPS status. This could help with labor shortage issues if companies are still hiring.

Finally, employers should be sensitive to the emotional impact of the situation. It might not be easy for employees who see colleagues, friends, and their families affected by the war. They might even need access to mental health care. Don't forget that if the company is subject to the federal Family and Medical Leave Act or similar state statutes, military family leave provisions entitle eligible employees to take FMLA leave for any "qualifying exigency" arising from the foreign deployment of the employee's spouse, son, daughter, or parent with the Armed Forces. This includes leave to arrange for departures of their loved one.

Uncharted territory might lead to legal mistakes on top of all the other problems right now. Make sure to think through your personnel decisions.