



What to Do as An Employer When a Natural Disaster Occurs?

When natural disasters strike, it can impact well beyond the initial couple days of the disaster. Often employers may be closed and/or employees unable to work due to the disaster. When companies must be closed, they face the dilemma of what to do about compensating their employees. Often companies that are not open, are not generating revenue so they can not necessarily afford to pay the employees outside of the regular pay or PTO/vacation time.

Recommendations: Have a policy that addresses business closures. When creating a policy think about:

- Can you compensate employees for a day or two?
- You can put a cap on the amount of days you would pay
- Can the employees use accrued PTO or vacation time?
- Are all employees eligible?

What if you have employees who are in the national guard and get called to duty?

In Georgia:

According to [Fisher Phillips](#), "Employees can take leave to perform military or active state service, participate in certain assemblies or training, and attend U.S. armed forces' service schools. Employers must reinstate employees returning from such leave if certain conditions are met.

Excluding leave from a temporary position, employees are covered by the military leave provisions if they take leave to perform military service; take leave to participate in assemblies or annual training; take leave to attend U.S. armed forces' service schools for up to six months; are or become members of the Army National Guard, Air National Guard, Georgia Naval Militia, or State Defense Force, or other reserve components of the U.S. armed forces (members of another state's Army or

Air National Guard are also covered if they are Georgia residents); are Georgia National Guard members and are called to active state service; or are members of another state's National Guard and are called to state-sponsored active duty service."

Ways for Employers or Employees to Help?

[SHRM](#) reported, "Before Hurricane Harvey unleashed its devastation on Texas and Louisiana, Federal Emergency Management Agency (FEMA) Administrator Brock Long said, "People need to be the help before the help arrives." It's important for employers to know how they can help if any of their employees are affected by a hurricane or any natural disasters. Some ways that an employer can help are:

- **Establish a Charitable 501(c)(3) Employee Relief Fund:**

[Foundation Group](#) stated, "Section 501(c)(3) is the portion of the US Internal Revenue Code that allows for federal tax exemption of nonprofit organizations, specifically those that are considered public charities, private foundations or private operating foundations." According to SHRM, this approach yields the best tax results to all parties involved, and offers complete control over distribution of aid—subject, as always, to IRS requirements. While this approach will take some time commitment- it presumes a

continuing charitable mission. Basically- an employer most likely wouldn't want to establish a new 501(c)(3) entity solely to provide relief for a single disaster situation, but it is good to have in place because natural disasters are unpredictable.

- **Crowdfunding**

Crowdfunding has become a more common approach to fundraise. Whether it is for a startup, charity event, or other small ventures. This approach may require opening an additional bank account to where donations may be received. "Although this approach does have the benefit of relative simplicity and speed—very desirable characteristics when disaster relief needs are urgent—in the final analysis, it may not be quite as simple or cost-effective as other alternatives," stated SHRM. While this approach may be a quick way to fundraise, it doesn't have favorable tax-benefits and this may lead to tax-related complexities for the employer that organizes the funding campaign, unless the relief payments qualify as Qualified Disaster Relief Programs (QDRPs).

- **Create a donor-advised fund with an existing charity**

According to SHRM, "An employer can set up a fund under the umbrella of an existing charitable foundation and achieve the same tax advantages as would be available with a new 501(c)(3) entity. Under this approach, donations could be made by the employer, employees, or the public to the new fund, and the existing charity would then be responsible for distributing those funds, with significant input from the employer, subject to applicable IRS regulations." This is an approach one can take if they don't want to go with the crowdfunding approach, it wouldn't require any new bank accounts to be opened, and it may be a better tax-deductible approach.

It is important for employers to be aware of how they can help when natural disasters strike. Considering that Natural Disasters are unpredictable- it's always best to have a plan of action as to how you can help your employees.

Written by: Amber Ridgeway

Sources: [Foundation Group](#), [SHRM](#), [Fisher Phillips](#)