

Families First Coronavirus Response Act

Below is a brief summary of the new act signed March 18, 2020. Covered employers are private sector employers with less than 500 employees and public sector employers with one or more employees. The Department of Labor will release more information later this week. Please give us a call if you would like to talk in more detail about your specific business situation and how this affects you.

Emergency Paid Sick Leave Related to COVID-19: Covered employers must provide two weeks of paid sick leave if the employee is unable to work or telework for the six qualifying reasons listed below. Employees do not have any length of service requirement to be eligible for emergency paid sick leave. Payments for reasons 1, 2 and 3 will be the employees' standard rate of pay (or minimum wage if greater) up to a maximum of \$511 per day. Payments for reasons 4, 5 and 6 will be two-thirds of the employees' standard rate of pay up to a maximum of \$200 per day. Full time employees are eligible for 80 hours of pay. Part time employees are eligible to be paid hours equal to the average hours the employee works over a two week period. This sick time may be used first before using any other paid sick time available from the employer. The law does not require a covered employer to provide emergency sick pay to an employee after the employee's termination, retirement or other separation from service.

Below is the list of qualifying reasons for leave:

1. The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
4. The employee is caring for an individual who is subject to an order as described in (1) or (2) above.
5. The employee is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions.
6. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

Emergency Family and Medical Leave Expansion Act: Covered employers must provide paid leave for up to ten weeks to employee who is unable to work or telework due to qualifying reason number 5 above. Employee must be employed for at least 30 days prior to taking leave. The first ten days will go unpaid after the tenth day payment to employees will be two-thirds of the employees' standard rate of pay up to a maximum \$10,000 total per employee.

Employer Payroll Tax Credit: Employers will be eligible for a refundable payroll tax credit against the employer portion of social security tax for 100% of the emergency paid sick leave and emergency family and medical leave payments paid pursuant to this act. A similar credit will be available for self-employed individuals who personally have to take qualified sick leave subject to the same limits.

Employer payroll tax credits will be increased to include amounts paid for the employee's health plan coverage that is properly allocated to the time while they are on leave.

Exceptions: Health care and emergency first responders have been exempted from both emergency sick leave and emergency family medical leave. Department of Labor can provide an exemption to small businesses with under 50 employees for payments of emergency sick leave and emergency family and medical leave related to reason 5 if those requirements would jeopardize the viability of the business.