

COVID-19

Business & Individual Updates regarding the Coronavirus



Families First Coronavirus Response Act Emergency Paid Sick Leave Act

The Emergency Paid Sick Leave Act (EPSLA) requires employers with fewer than 500 employees to provide paid sick leave to employees who, regardless of how long they've worked for the company, are unable to work (or work remotely) and fall into one or more of six categories of eligibility related to COVID-19.

Hours

- Full-time employees are entitled to 80 hours of paid sick leave.
- Part time employees are entitled to an equivalent number of hours they work on average over a two-week period.
- These hours are not eligible to be deducted from the employee's allotted sick leave or sick pay amounts.

The Six Categories of Eligibility:

1. The employee is subject to a federal, state or local quarantine or isolation order.
2. The employee has been advised by a healthcare provider to self-quarantine due to concerns related to the virus.
3. The employee is experiencing symptoms of the virus and seeking a medical diagnosis.
4. The employee is caring for another individual who is subject to categories 1 or 2 above.
5. The employee is caring for their child if the child's school or place of childcare has been closed or is unavailable due to the virus.
6. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services.

The Payment Scales:

If the leave is taken for categories 1-3:

- The employers must pay the leave at the employees' normal rates.
- A per-employee maximum of \$511 per day and \$5,110 in total.

If leave is taken by reason of category 4-6:

- The leave must be paid at a rate equal to at least 2/3 their normal rate.
- A per-employee maximum of \$200 per day and \$2,000 in total.



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Failure to Pay

The bill prohibits retaliation on any employee who takes leave in accordance with the guidelines. Failure to pay this required sick leave will be treated as failure to pay minimum wages in violation of the Fair Standards Act.

Communication

A notice regarding this act was prepared and by the Secretary of Labor on March 25, 2020. Employers must post this communication in a clearly visible place within the work space. The next page of this PDF contains the notice you must post. Here are some posting guidelines:

- If most of your workforce is working remotely, you may email it to employees or post it within internal employee information or external website.
- You do not have to share this notice with employees who have been laid off or to perspective employees.
- If you have a new hire, you are required to share this notice with them.
- You'll need to post in each location and in a spot every employee regularly visits.

EMPLOYEE RIGHTS

PAID SICK LEAVE AND EXPANDED FAMILY AND MEDICAL LEAVE UNDER THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

The **Families First Coronavirus Response Act (FFCRA or Act)** requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 through December 31, 2020.

► PAID LEAVE ENTITLEMENTS

Generally, employers covered under the Act must provide employees:

Up to two weeks (80 hours, or a part-time employee's two-week equivalent) of paid sick leave based on the higher of their regular rate of pay, or the applicable state or Federal minimum wage, paid at:

- 100% for qualifying reasons #1-3 below, up to \$511 daily and \$5,110 total;
- $\frac{2}{3}$ for qualifying reasons #4 and 6 below, up to \$200 daily and \$2,000 total; and
- Up to 10 weeks more of paid sick leave and expanded family and medical leave paid at $\frac{2}{3}$ for qualifying reason #5 below for up to \$200 daily and \$12,000 total.

A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

► ELIGIBLE EMPLOYEES

In general, employees of private sector employers with fewer than 500 employees, and certain public sector employers, are eligible for up to two weeks of fully or partially paid sick leave for COVID-19 related reasons (see below). *Employees who have been employed for at least 30 days* prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 below.

► QUALIFYING REASONS FOR LEAVE RELATED TO COVID-19

An employee is entitled to take leave related to COVID-19 if the employee is unable to work, including unable to **telework**, because the employee:

- | | |
|---|---|
| <ol style="list-style-type: none">1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;2. has been advised by a health care provider to self-quarantine related to COVID-19;3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2); | <ol style="list-style-type: none">5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services. |
|---|---|

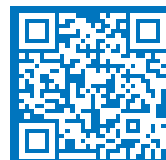
► ENFORCEMENT

The U.S. Department of Labor's Wage and Hour Division (WHD) has the authority to investigate and enforce compliance with the FFCRA. Employers may not discharge, discipline, or otherwise discriminate against any employee who lawfully takes paid sick leave or expanded family and medical leave under the FFCRA, files a complaint, or institutes a proceeding under or related to this Act. Employers in violation of the provisions of the FFCRA will be subject to penalties and enforcement by WHD.



WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

For additional information
or to file a complaint:
1-866-487-9243
TTY: 1-877-889-5627
dol.gov/agencies/whd



WH1422 REV 03/20

Families First Coronavirus Response Act Emergency Family Medical Leave Act

The Emergency Family Medical Leave Expansion Act (EFMLEA) is an expansion of the Family and Medical Leave Act of 1993 (FMLA). This provision expands qualifications for leave to apply to all businesses with less than 500 employees.

Qualifications

- An employee must have been on the payroll for 30 calendar days.
- The employee must have a "qualifying need related to a public health emergency (COVID19)".
- The employee must be unable to work (or work remotely) due to a need to care for a child under the age of 18.
- The school or place of childcare must be closed or unavailable due to a public health emergency (COVID19).

Payments

- The first 10 days will be unpaid. An employee may opt to apply vacation, personal, or sick leave, but the employer can not require it.
- The first 10 days can be paid via the Emergency Paid Sick Leave Act.
- The remainder of the leave is required to be paid at no less than 2/3 of the employee's regular rate (or average over the past 6-month period if the employee has a varying schedule) for the number of hours the employee would otherwise be scheduled to work.
- The employer will pay no more than \$200/day and \$10,000 total.



Families First Coronavirus Response Act Employer Reimbursements

On April 1, 2020, small and midsize employers can begin taking advantage of refundable payroll tax credits, designed to immediately and fully reimburse you, dollar-for-dollar, for the cost of providing Coronavirus-related leave to your employees through the end of 2020.



Complete Coverage: Employers receive 100% reimbursement for paid leave pursuant to the Act.

- Health insurance costs are also included in the credit.
- Employers face no payroll tax liability.
- Self-employed individuals receive an equivalent credit



Reimbursement will be FAST and easy to obtain: An immediate dollar-for-dollar tax offset against payroll taxes will be provided and where a refund is owed, the IRS will send the refund as quickly as possible.



Protection for Small Business: There is protection for employers with fewer than 50 employees. If the viability of the business is threatened, these companies are eligible for an exemption from the requirements to provide leave to care for a child whose school is closed, or child care is unavailable.



Compliance Will be Less Strict: There is a 30-day “non-enforcement policy” to provide time for employers to come into compliance with the Act. The Department of Labor will not bring action against any employer during this time, so long as the employer has acted reasonably and in good faith to comply with the Act.

Families First Coronavirus Response Act

Employer Reimbursements

Payroll Tax Liability: Businesses can retain & access funds they would otherwise pay to the IRS in payroll taxes. If those amounts are not sufficient to cover the cost of paid leave, employers can seek an expedited advance from the IRS by submitting a streamlined claim form (It will be released next week.)

How to get Reimbursed: The credits are reported each quarter on the employer's payroll tax return and are refundable to the extent that the credit exceeds the employer's payroll tax liability. Avizo Group, Inc. can help you with this.

The Act also provides for similar benefits for self-employed individuals who would be eligible for EPSLA benefits had they been an employee of a business, via refundable payroll tax credits.

Finally, the Act makes these same wages not subject to the employer's share of the Social Security portion of FICA tax (6.2% of wages).



Quick Guide

Families First Coronavirus Response Act

Emergency Paid Sick Leave Act (EPSLA)

This Act requires employers to provide
80 HOURS OF SICK LEAVE
regardless of how long the employee has
worked for the company.

PAY AT FULL RATE

up to \$511 /day and \$5,110 in total

Requirements:

The employee is subject to a
Federal/state/local quarantine or
isolation order.

The employee has been advised by a
healthcare provider to self- quarantine
due to concerns related to the virus.

The employee is experiencing symptoms
of the virus & seeking a medical diagnosis.

PAY AT 2/3 RATE

up to \$200 /day and \$2,000 in total

Requirements:

The employee is caring for another who
is subject to reasons 1 or 2 above.

The employee is caring for their child if
the child's school/place of childcare is
closed/unavailable due to the virus.

The employee is experiencing any other
substantially similar condition specified
by the Sec.of Health & Human Services.

Emergency Family Medical Leave Expansion Act (EFMLEA)

This Act is an expansion of the Family
and Medical Leave Act of 1993 (FMLA)
and now applies to all businesses with
fewer than 500 employees.

QUALIFICATIONS

The employee must have been on the
payroll for at least 30 calendar days &
be unable to work (or work remotely)
due to a need to care for a child under
the age of 18 if their school or place of
childcare has been closed or is
unavailable due to a public health
emergency related to COVID-19.

1st 10 DAYS

The first 10 days of absence are
unpaid. An employee may opt to use
their accrued leave or apply EPSLA.

NO LESS THAN 2/3 RATE

up to \$200 /day and \$10,000 in total

Pay is for usual hours worked. Part-
time employee leave is calculated
based on the average hours the
employee was scheduled per day over
the 6-month period prior to the
employee taking leave under the Act.