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# FAMILIES FIRST CORONAVIRUS RESPONSE ACT

- March 18, 2020 – President signed law into effect
- **The effective date of all provisions of the law is April 2, 2020**
- Contains several areas that impact employers:
  - Two New Paid Leave Programs
    - Emergency Paid Sick Leave
    - Emergency Family and Medical Leave
  - Tax Credits for Paid Leave
  - Emergency Unemployment Insurance Stabilization and Access Act of 2020



# 2 PAID LEAVE PROGRAMS

**Employers are responsible for providing:**

- Emergency Paid Sick Leave
- Emergency Family and Medical Leave



# **EMERGENCY PAID SICK LEAVE**



# EMERGENCY PAID SICK LEAVE

- **Two weeks of paid sick leave available to all employees for reasons related to Coronavirus**
  - Full-time employees: 80 hours (2 weeks)
  - Part-time employees: Number of hours typically worked in two weeks





# EMERGENCY PAID SICK LEAVE

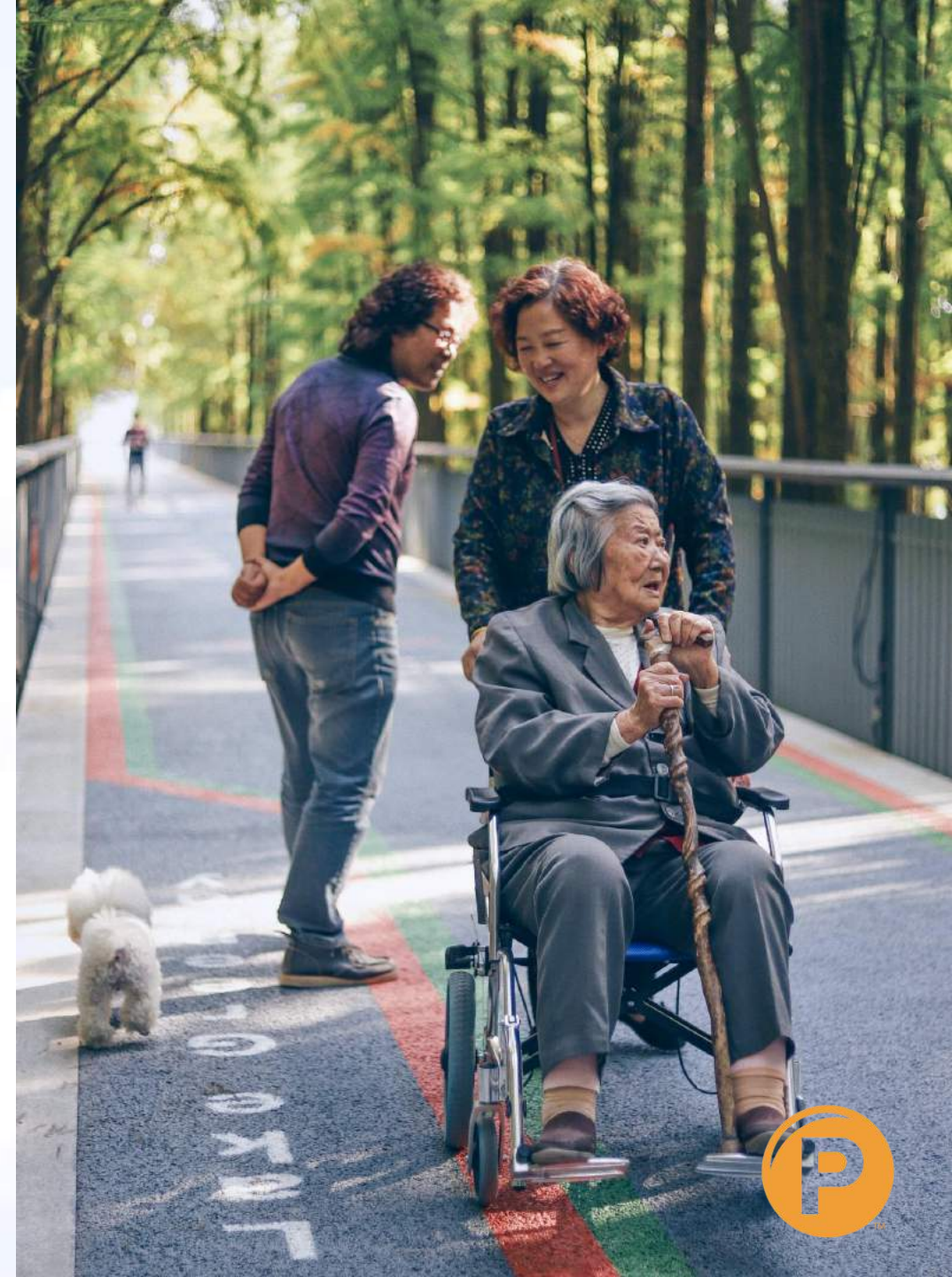
- **Reasons that qualify for sick leave:**
  - Self-quarantine due to coronavirus
  - Obtaining personal diagnosis or care for coronavirus exposure or symptoms
  - Assisting family member who is self-quarantined because of COVID-19 diagnosis or who is experiencing symptoms of the virus and needs to obtain medical diagnosis/care
  - Caring for a child whose school/place of care has been closed or whose childcare provider is not available due to the virus



# EMERGENCY PAID SICK LEAVE

## Definition of Family Member is broad –

- Parent
- Spouse
- Child (under 18)
- Son/Daughter
- Sibling
- Next of kin
- Grandparent
- Grandchild (if that person is a pregnant woman)
- Senior citizen
- Individual with a disability
- A person with access or functional needs





# EMERGENCY PAID SICK LEAVE

- Employees entitled to full regular rate of pay for up to two weeks if leave is for their own coronavirus illness
- If caring for family member who has the virus or for a child whose school or childcare is closed or unavailable due to virus, required pay is 2/3 of regular pay for up to two weeks



A hand holding a magnifying glass over a cloud in a sunset sky. The magnifying glass is held in the foreground, and the cloud is visible through the lens. The background is a soft, blurred sunset sky with warm colors.

# WHAT IF EMPLOYER ALREADY PROVIDES SICK LEAVE PAY?

- This new leave is in addition to any existing employer-paid leave program
- Employers may not change their existing policies to avoid paid sick leave obligations
- Employers cannot require that employees use other paid time off (vacation, personal days or PTO banks) before using new emergency paid leave





# NOTICE OF NEW LEAVE

- Employers must post a public notice informing employees of their rights to emergency paid sick leave
- Department of Labor (DOL) will provide model notice within 7 days (from March 18<sup>th</sup>)





# **EMERGENCY FAMILY AND MEDICAL LEAVE**



# EMERGENCY FAMILY AND MEDICAL LEAVE

- An extension of FMLA
- 12 weeks of job-protected leave in a public health emergency
- First 10 days can be unpaid; employees can use other forms of accrued paid leave (vacation, personal leave of sick leave)
- After first 2 weeks, employers must pay workers at least 2/3 of regular rate of pay.
- Employee must have worked for the employer for at least 30 days



# EMERGENCY FAMILY AND MEDICAL LEAVE

- Emergency leave available when employee is unable to work if child's school, daycare or other place of childcare is closed or unavailable due to public health emergency
- Definition of "family member" broader than FMLA rules; matches Families First Coronavirus Response Act





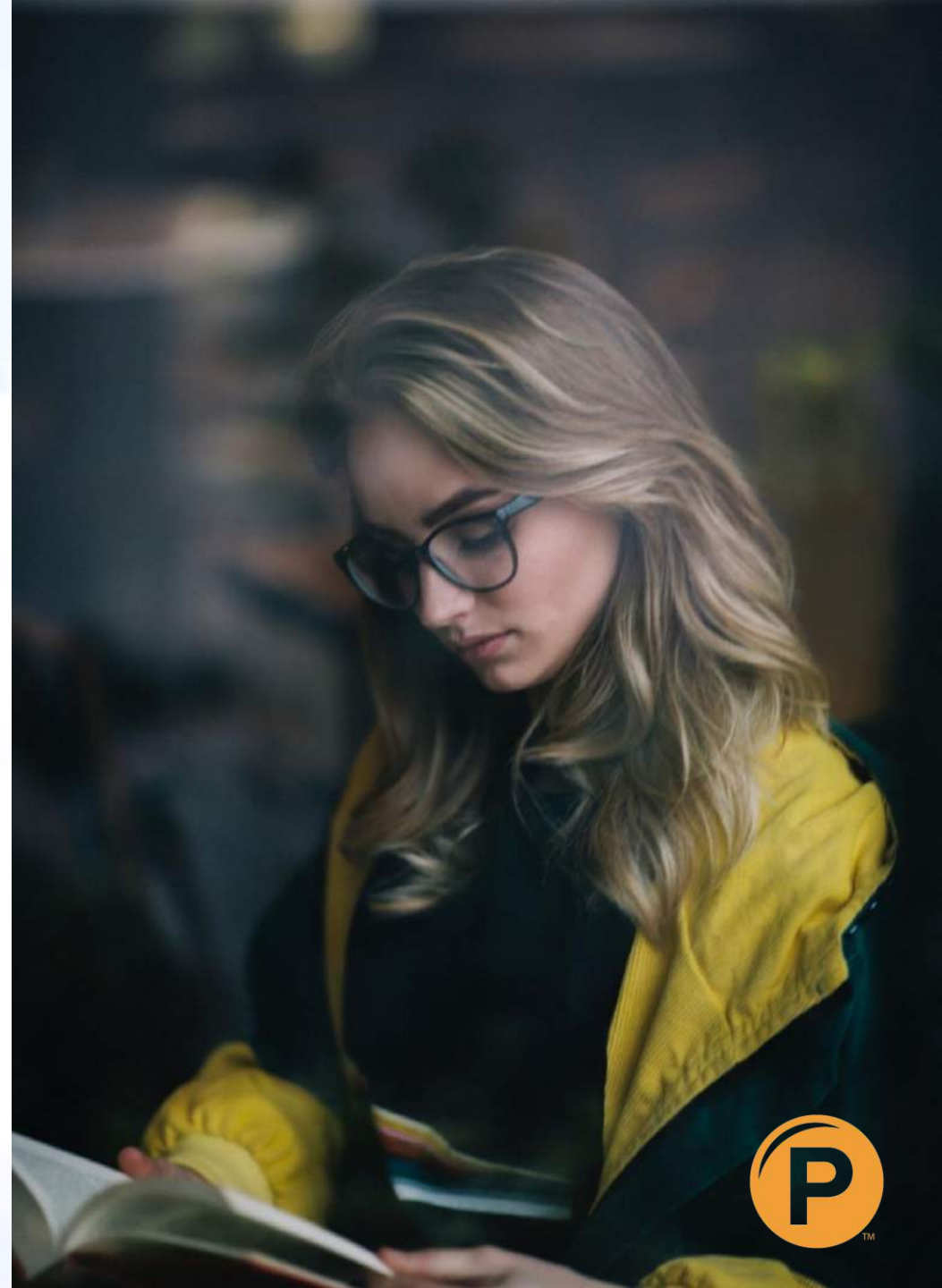
# EMERGENCY FAMILY AND MEDICAL LEAVE

- Department of Labor (DOL) can exclude certain healthcare workers and emergency responders
- DOL may also exempt small businesses (fewer than 50 employees) if business would be in jeopardy
- Employers with fewer than 25 employees do not have to comply with job protection aspect of bill



# TAX CREDITS FOR PAID LEAVE

- Refundable payroll tax credit will be available to employers that provide paid emergency sick leave or paid emergency FMLA leave from April 2 through December 31, 2020.
- This tax credit will be immediately available through reduced tax submissions.



# TAX CREDITS FOR PAID LEAVE

## Credits for-

### **Paid emergency sick leave:**

- Employees taking leave for their own prevention, care or treatment of coronavirus
  - Tax credit is 100% of wages up to \$511/day
- Employees taking leave to care for family member or child's school or daycare closing
  - Tax credit is 100% of wages up to \$200 per day

### **Paid emergency FMLA leave:**

- Tax credit is 100% of wages up to \$200/day
- Maximum of \$10,000 per employee





# TAX CREDITS FOR PAID LEAVE

- Details for submission not yet available from IRS
- Once available, we will notify you



# EMERGENCY UNEMPLOYMENT INSURANCE STABILIZATION AND ACCESS ACT OF 2020

- Unemployment laws vary by state
- This Act provides additional funding to states
- To receive additional funding from Federal Government, States must ease eligibility and access to UE compensation by:
  - Waiving work search requirements
  - Waving waiting period
  - Not holding employers chargeable for these claims



# EMERGENCY UNEMPLOYMENT INSURANCE STABILIZATION AND ACCESS ACT OF 2020

- **Many states have already made changes**
  - See the posting on our website ([www.payentry.com/COVID-19](http://www.payentry.com/COVID-19)) for details about your state as they occur or
  - Check your state's unemployment website





# FAMILIES FIRST CORONAVIRUS RESPONSE ACT

- Legislation is complex and is being fine-tuned by additional legislation
- Use current guidance, but be prepared for additional rules clarifying the new law

We will let you know as soon as  
we know!



# Questions?

Send your email to

[hrservices@payentry.com](mailto:hrservices@payentry.com)

