



The Families First Coronavirus Response Act

Author: Tracy H. Stroud, Attorney at Law

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The Families First Coronavirus Response Act became law on March 18, 2020 and is effective from April 2, 2020 and expires December 31, 2020. This article highlights four (4) key sections of the Act.

This information hits the most important sections of the Act but does not fully encompass the Act.

Emergency Paid Sick Leave Act

1. **Coverage:** Covers all private employers with fewer than 500 employees and all government employers. There may be regulatory exceptions for businesses with fewer than 50 employees if providing leave would jeopardize the viability of the business. However, there are no proposed regulations regarding this exception as of this writing.
2. **Leave:** Full-time employees are entitled to 80 hours of paid leave. Part-time employees are entitled to less related to the average of amount of time they work. Covered employees are entitled to paid leave for specified purposes related to COVID-19 as set forth below:

More specifically, employees must be provided paid sick leave to the extent an employee is unable to work or telework because of the following:

- . Being subject to a federal, state, or local quarantine order related to COVID-19 (this would include a shelter in place order);
- . Having been advised by a health care provider to self-quarantine;
- . Experiencing symptoms of COVID-19 and is seeking a diagnosis;
- . Caring for an individual that is subject to an order for quarantine; or
- . Caring for an employee's child because the child's school is closed and/or the regular caregiver is unavailable.

3. **Payment:** Paid leave must be paid at the employee's regular rate of pay but leave used to care for another individual is paid at two-thirds of the employee's regular rate of pay. Paid leave is capped at \$511 per day and \$5,110 in total for the employee's own health condition or quarantine, and at \$200 per day and \$2,000 in total for leave necessitated to care for someone else.

Emergency Family and Medical Leave Expansion Act

1. **Coverage:** All private employers with fewer than 500 employees and all public agency employers, but there may be regulatory exemptions for so-called "public

health emergency leave" if providing such leave would jeopardize the viability of businesses with fewer than 50 employees. Again, there are currently no proposed regulations to address the exemptions.

2. **Leave:** There is a new category under FMLA of protected leave for employees with a "qualifying need related to a public health emergency." This new category of protected leave is only for employees who cannot work because of childcare unavailability. That means cases in which the employee cannot work or telework due to the need to care for a son or daughter under 18 years of age if, because of a public health emergency regarding COVID-19, the child's school or place or care has been closed or the child's care provider is unavailable. The total amount of available leave is the same as under the FMLA (*i.e.*, 12 weeks within a period of 12 months period), but under the Emergency FMLA Act the first 10 days are unpaid and the remaining days of leave are paid.
3. **Payment:** After the first ten days of leave, which again are NOT paid, the employee must be paid at a rate that is at least two-thirds of the employee's regular rate of pay based on the employee's regular schedule. There are caps because the paid leave cannot exceed \$200 per day and \$10,000 in the aggregate for an employee.

Emergency Unemployment Insurance Stabilization and Access Act of 2020

The Emergency Unemployment Insurance Stabilization and Access Act of 2020 provides emergency funding to states for increasing access to unemployment benefits. The changes to filing for unemployment benefits as a result of this Act is as follows:

1. Individuals may apply for unemployment benefits online or via telephone;
2. There is no longer a one-week waiting period;
3. Employees do not have to be actively searching for other employment to receive unemployment benefits;
4. Employers impacted by COVID-19 will not be responsible for benefits paid resulting from these changes. Simply, this means if an employee files for unemployment because of coronavirus closure or layoff, the employer's unemployment account will not be charged.

Tax Credits for Employers for Paid Sick and Paid Family and Medical Leave

The Act expands tax credits available to employers who are required to provide Emergency Paid FMLA leave, and Emergency Paid Sick Leave under the Act. Those employers will receive a credit against their quarterly payroll taxes, in an amount equal to 100% of the paid FMLA leave and paid sick leave wages paid by the employer. Companies that outsource payroll should contact their payroll companies or accountants to find out more information about the financial effect of these tax credits.