

Families First Coronavirus Response Act Key Employer Provisions

Updated 3/25/20



	Emergency Paid Sick Leave Act	Emergency Family & Medical Leave Expansion Act
Effective Date	No later than 15 days after date of enactment (<i>President Trump signed March 18th which means the law is effective no later than April 1</i>); expires December 31, 2020	
Covered Employers	Employers with fewer than 500 workers and government entities	Employers with fewer than 500 employees
Exceptions	The Secretary of Labor shall have the authority to issue regulations to exclude certain health care providers and emergency responders from the definition of eligible employee; and to exempt small businesses with fewer than 50 employees when the imposition of such requirements would jeopardize the viability of the business as a going concern.	
Qualifying Reasons for Paid Sick Leave	<p>Unable to work or telework because:</p> <ol style="list-style-type: none"> 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 COVID-19 concerns. 3) the employee is experiencing COVID-19 symptoms and seeking medical diagnosis. 4) the employee is caring for an individual (doesn't have to be a family member) subject to a federal, state or local quarantine or isolation order or advised by a health care provider to self-quarantine due to COVID-19 concerns. 5) the employee is caring for the employee's child if the child's school or place of care is closed or the child's care provider is unavailable due to public health emergency; or 6) the employee 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 	<p>Unable to work or telework due to:</p> <p>a need for leave to care for the employee's child (under 18 years of age) if the child's school or place of care is closed or the childcare provider is unavailable due to a public health emergency</p>
Eligibility	All employees (regardless of the employee's duration of employment prior to leave)	Any employee (full or part-time) who has been employed for at least 30 days by the employer
Benefit Provided	Full-Time Employees - 80 hours paid sick leave at employee's regular rate of pay / average number of hours employee normally would work over a two-week period if part-time (or 2/3 the employee's regular rate of pay for qualifying reasons #4, 5 and 6 above)	Up to 12 weeks of leave; 1st 10 days unpaid leave; remainder paid leave at 2/3 the employee's regular rate for the number of hours the employee would otherwise be normally scheduled (<i>also see Interaction with Other Provisions below</i>)

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Benefit Provided (continued)	Part-Time Employees who have worked 6 months or longer - paid based on the average number of hours the employee worked for the prior six months	
	Part-Time Employees who have worked less than 6 months - paid based on the average number of hours the employee would normally be scheduled to work over a two-week period	
Caps on Benefits Provided	Limited to \$511 per day up to \$5,110 total per employee for their own use; up to \$200 per day up to \$2,000 total to care for others and any other substantially similar condition	\$200 per day and \$10,000 total per employee
Interaction with Other Provisions of the Act & Employer's Policies & Procedures	A business employing fewer than 500 employees is required, at the request of the employee, to pay a full-time employee for 80 hours of mandated emergency paid sick leave instead of the initial 10 days of unpaid leave permitted by the Emergency Family and Medical Leave Expansion Act Employer may not require an employee to use other paid leave provided by the employer to the employee before the employee uses paid leave provided for under the Emergency Paid Sick Leave Act	Employee is permitted to utilize any accrued employer provided PTO (i.e. vacation or sick leave) to cover some or all of the 10-day unpaid period noted above under "Benefit Provided"
Other Requirements	Employer must post DOL model notice	Employer is required to provide notice to employee
	Any Emergency Paid Sick Leave or Emergency Family and Medical Leave Expansion Act payments are not subject to the employer 6.2% social security payroll tax matching portion (still required to withhold 6.2% employee portion); employers are however still subject to the 1.45% employer Medicare tax	
	Continue employee payroll withholdings as usual (FICA, MCR, Federal & State income tax, etc.)	
	Employers must increase their gross income for taxable year by the amount of payroll credit received	
Employer Tax Credits	Refundable tax credit equal to 100% of the qualified sick leave / family & medical leave wages paid; credit reported on quarterly payroll tax returns	
	In addition, the tax credit also includes: the portion of the employer's qualified health plan expenses (i.e. - group health insurance) allocable to the qualified sick leave / family & medical leave wages paid; and the amount of employer Medicare taxes assessed on the paid sick and family medical leave wages.	
	Self-employed individuals are also allowed to claim credit based on # of days unable to perform services subject to the same caps noted above, not to exceed average daily self-employment income (net earnings from self-employment for the taxable year divided by 260)	
Implementation Considerations	Setup pay codes for both categories of pay in payroll software in order to track hours and time paid; amounts paid will be needed during preparation of quarterly payroll returns in order to report credit claimed	
	Consider establishing or increasing a line of credit to float payroll until paid amounts are refunded	

For assistance with implementation and planning, reach out to a Jackson Thornton representative at 334-834-7660.