



BULLETIN

March 19, 2020 (UPDATE)

FAMILIES FIRST CORONAVIRUS RESPONSE ACT



On March 18th, the Senate passed the Families First Coronavirus Response Act and the President signed it into law.

This bulletin summarizes the significant provisions of the Act which affect employers. The following provisions take effect on April 2, 2020.

Emergency Family and Medical Leave Expansion Act

- Companies are required to provide employees with up to 12 weeks of job-protected and paid leave:
 - Companies pay employees at 2/3 regular rate
 - Pay not to exceed \$200 per day and \$10,000 in aggregate per employee
 - The pay starts after first 10 days of leave
 - Only paid if employee is unable to work or telework in order to care for minor child if the child's school is closed because of the public health emergency
- Applies to companies with less than 500 employees
 - Option to exclude companies with less than 50 employees if this action would jeopardize the continuation of their business
 - Companies with less than 25 employees may not be required to restore the employee back to same position after the 12 week leave has been exhausted
- Applies to employees with at least 30 days of service

Emergency Paid Sick Leave Act

- Companies are required to provide employees with paid sick leave:
 - Companies provide employees with 80 hours of paid leave based on the employee's regular rate of pay
- Applies to companies with less than 500 employees
 - Option to exclude companies with less than 50 employees if this action would jeopardize the continuation of their business
- Applies to employees:
 1. subject to a federal, state or local quarantine or isolation order related to COVID-19;
 2. advised by a health care provider to self-quarantine due to COVID-19 concerns;
 3. experiencing COVID-19 symptoms and seeking medical diagnosis;
 4. caring for an individual 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. 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. 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.
- Employers would be required to pay employees their full wages, not to exceed \$511 per day and \$5,110 in the aggregate, for a use described

in (1), (2), or (3) above

- Employers would be required to pay employees 2/3 of their wages, not to exceed \$200 per day and \$2,000 in the aggregate, for a use described in (4), (5), or (6) above

Tax Credits

- Companies subject to the Act are eligible for a 100% refundable payroll tax credit on the wages paid for leave
- The tax credits would be administered by the IRS and be creditable against employer-side payroll tax liability (employer portion of Social Security), with any excess refunded to the employer
- Sick leave wages are capped at \$511 per day (\$200 per day if the leave is for caring for a family member or child) for up to 10 days per employee in each calendar quarter
- Family leave wages are capped at \$200 per day for each individual up to \$10,000 total per calendar quarter

Stay up-to-date with the latest material on our [coronavirus web page](#) - dedicated to sharing information about COVID-19 and how it relates to the workplace:

<https://www.employco.com/coronavirus>

We will continue to monitor the situation and provide updates throughout the process. We hope you and your family and friends are healthy.

Please [contact us](#) if you have any questions.



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Questions, comments, feedback?

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