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Summary Points for Families First Coronavirus Response Act (FFCRA) and Coronavirus Aid, Relief and Economic Security Act (CARES Act)

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FAMILIES FIRST CORONAVIRUS RESPONSE ACT SUMMARY

I. Emergency Family and Medical Leave Expansion Act

- A. Covered employers: Employers with fewer than 500 employees.
- B. Eligible employees: All FTE's and PTE's employed for at least 30 calendar days.
- C. Qualification for Emergency Family Leave Benefits:
 - 1. Employee is unable to work, either by physically reporting or teleworking,
 - 2. Due to need to care for employee's child under 18, and
 - 3. Child's school or place of childcare has been closed OR the normal childcare provider of child is unavailable due to COVID.
- D. Applicable to leave taken between April 1, 2020 and December 31, 2020.

** Sunset: end of December 2020.*

- E. Emergency Family Leave Benefits:
 - 1. First 10 days of family leave is unpaid (NOTE: employee may use new Emergency Paid Sick Leave Benefits, AND employee may use other available employer provided paid time off, vacation, personal leave or sick leave, during this 10-day period).
 - 2. After first 10 days, paid family leave at 2/3's of employee's regular rate of pay for hours employee normally would be scheduled to work.
 - 3. Benefit Caps: \$200 DAILY CAP AND \$10,000 TOTAL CAP.
- F. Employer payroll tax credit for full amount of paid family leave granted to employee, provided such amount does not exceed applicable caps.

** Importance of documentation since that will be necessary to support tax credit.*

- G. Possible limited exemption for employers with less than 50 employees if compliance would jeopardize viability of the business.

II. Emergency Paid Sick Leave Act

- A. Covered employers: Employers with fewer than 500 employees.
- B. Eligible employees: All FTE's and PTE's regardless of length of service.
- C. Qualification for Paid Sick Leave Benefits:
 - 1. *First Category* of 3 separate employee qualifications for paid sick leave benefits:
 - a) Employee is directly and personally affected by COVID (can't work via telework or otherwise) because: (i) employee is subject to federal, state or local quarantine or isolation Order; (ii) employee is advised by health care provider to self-quarantine due to COVID; or (iii) employee is experiencing symptoms of COVID and seeking a medical diagnosis.
 - b) Total Paid Sick Leave: 80 hours for FTE's (PTE's = average number of hours that employee works over a two-week period).
 - c) Employee is paid at 100% of regular rate of pay for hours employee normally would be scheduled to work.
 - d) Benefit Caps: \$511 DAILY CAP AND \$5,110 TOTAL CAP.
 - 2. *Second Category* of 3 separate employee qualifications for paid sick leave benefits:
 - a) Employee is (i) caring for individual who is directly and personally affected by COVID (individual subject to federal, state or local quarantine or isolation Order; or individual advised by health care provider to self-quarantine due to COVID); (ii) caring for employee's child under 18 if the child's school or place of childcare has been closed OR if the normal childcare provider of child is unavailable due to COVID; or (iii) experiencing any other substantially similar condition as specified by the United States Department of Health and Human Services.
 - b) Total Paid Sick Leave: 80 hours for FTE's (PTE's = average number of hours that employee works over a two-week period).
 - c) Employee is paid at 2/3's of regular rate of pay for hours employee normally would be scheduled to work.
 - d) Benefit Caps: \$200 DAILY CAP AND \$2,000 TOTAL CAP.
 - * *Maximum number of hours of paid sick leave is 80 hours for any combination of qualifying reasons for such paid sick leave.*
- D. Employer payroll tax credit for full amount of paid sick leave granted to employees, provided such amount does not exceed applicable caps.
 - * *Importance of documentation since that will be necessary to support tax credit.*
- E. Possible limited exemption for employers with less than 50 employees if compliance would jeopardize viability of the business.

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES Act) SUMMARY

I. Pandemic Unemployment Assistance

- A. Provides expanded Unemployment Compensation (UC) benefits in addition to what Pennsylvania law provides.
- B. Expanded eligibility criteria for individuals generally not eligible for UC benefits, including self-employed individuals, individuals unable to work because they have COVID, individuals providing care for family member with COVID, and other individuals.
- C. \$600 per week additional UC benefit, in addition to Pennsylvania UC benefit to which individual is entitled under Pennsylvania law. These flat amount payments will be available through July 31, 2020.

**Sunset: end of July 2020.*

- D. 26 weeks of entitlement to UC benefits has been increased to 39 weeks, which ends on December 31, 2020.
- E. Temporary elimination of 1 week waiting period for UC benefits for duration of Governor Wolf's COVID emergency declaration.

II. CARES Act Loans under Payroll Protection Program (PPP)

***** If you have not already applied for a PPP loan...YOU SHOULD APPLY.**

- A. PPP loans available for an amount equal to 2 ½ times average monthly payroll in 2019.
- B. Loan cap is \$10 Million and loans available on a first come first serve basis until all allocated PPP loan funds have been expended.
- C. Loan principal and 1% interest on loan is forgivable up to 100% of loan amount.
 - 75% of loan amount must be spent on payroll (legislative intent to retain employees/return employees to work, even if paying employees full wages while they are staying at home).
 - Balance can be spent on such things as mortgage interest (but not principal), rent and utilities.