

## Understanding Family First Coronavirus Response Act (FFCRA)

Certipay has prepared the following document to assist our clients in understanding the details surrounding the Family First Coronavirus Response Act (FFCRA). Our goal is to assist employers with the Department of Labor guidelines for those affected by COVID-19.

We realize that information produced by the DOL can be confusing and difficult to navigate through; therefore, we are providing our clients with a more simplified explanation for the temporary benefits that will be available starting April 1<sup>st</sup>.

### **Basics:**

Start date: April 1, 2020

End date: December 31, 2020

Who: ALL employers with under 500 employees

What: Paid Leave

Who pays: Federal Tax Dollars

### **Now let's break it down:**

There are 2 types of Leave under this new Bill. Sick Leave (1) and FMLA extension (2).

#### **1. Emergency Paid Sick Leave Benefits:**

Who: This will apply to all employers with under 500 employees and all of the employees will be eligible no matter how long they were employed. This is for an employee who is sick or caring for a child or sick person.

What: Up to 80 hours of paid sick leave.

How much: Employees will be eligible to receive either full pay or 2/3 pay depending on the situation.

Let's look a little closer at who and how much:

- Employee is Quarantined = full pay capped at \$511/day
- Employee has been advised to self Quarantine = full pay capped at \$511/day
- Employee has COVID-19 symptoms and is seeking medical diagnosis = full pay capped at \$511/day
- Employee is caring for sick or quarantined person = 2/3 regular pay capped at \$200/day
- Employee is caring for child whose school or daycare is closed = 2/3 regular pay capped at \$200/day

## **2. Emergency FMLA Expansion:**

Who: This will apply to all employers with under 500 employees and all of the employees who have been employed for at least 30 days. This is for an employee who is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19

What: Up to 12 weeks of paid leave and job protection.

How Much: There is no pay for the first 10 days (other paid time off can be applied including the Emergency Paid Sick Leave under this bill). After the first 10 days, employees are eligible for 2/3 regular rate of pay capped at \$200/day and \$10,000 total. Averages of hours worked can be used to calculate the rate for part time employees.

Exceptions: There are 2 exceptions to this section of the bill.

- a. Small Businesses with under 50 employees may qualify for a hardship exempt status. Details will be available from the IRS soon.
- b. Small Businesses with under 25 may not have to bring the employee back if the position is gone due to economic circumstances related to the pandemic.

### **How do Businesses Pay for this?**

All wages, taxes, and health premiums paid as a result of complying with this bill will be offset dollar for dollar by a credit to your payroll taxes due on your quarterly 941. That means you will subtract all dollars spent as a result of compliance with this bill from your total taxes due on your 941 for the quarter. In the event that you pay out more than you have due, the IRS is preparing an emergency refund request for the difference. They plan to have all of these refunds paid within a 2 week timeframe.

### **When do unemployment benefits apply?**

It's important to explain that the **Sick Leave and Emergency FMLA benefits** that are now available **DO NOT** apply to furloughed employees or Layoffs. This also **DOES NOT** apply to businesses who have temporarily closed their business due to a "shelter in place" ordered by City, County, State or Federal government. Sick leave benefits do not apply for employees who are ready, willing and able to work, but unable to due to the business closure, or furlough. Employees affected by these conditions will be eligible for unemployment benefits.

Employers are encouraged to direct their employees to the state for filing an unemployment claim immediately. Employers should be aware of their state's current system for the unemployment claim filing. Each state has a different set of directions for how a claim is filed, and in some cases the employer will be required to notify the state on behalf of the employee.

### **When are employees eligible for the traditional FMLA?**

All of the criteria that has been required under the traditional FMLA still stands. There is no change in this and it remains an unpaid benefit. If an employee request FMLA due to maternity leave, serious healthcare issues or to care for a family member with healthcare issues unrelated to COVID 19, or for the birth or adoption of a child. These are the traditional FMLA qualifications, and should not be confused with the EXTENDED FMLA Leave benefits that pertain specifically to child care issues related to COVID 19.