



SEAY MANAGEMENT ALERT – SPECIAL COVID-19 BULLETIN

On Wednesday March 18th, 2020 President Donald Trump signed the **Families First Coronavirus Response Act** (HR 6201), hours after the Senate passed the bill. There are two significant provisions of this bill that affect employers, one dealing with sick leave and the other dealing Family and Medical Leave.

The first thing to know is that these are temporary measures and they expire December 31, 2020. The second thing is that employers will have until April 2, 2020 to prepare. Our advice is to take advantage of this window to fully develop new policies and procedures. Some of the Act's provisions are unclear so continue to monitor and include further interpretations over the next few weeks.

It is important to understand that these provisions apply to most employees who are affected directly or indirectly by COVID-19. It does not apply to employees who have been laid off or furloughed, except in the event of a government required quarantine or a medically required quarantine.

SICK LEAVE

Employees who are unable to work owing to COVID-19 will receive 80 hours of sick pay at their regular rate. Employees who are caring for a child whose school or day care provider is closed, owing to COVID-19 will receive 80 hours of sick pay at 2/3rds of their regular rate. There are some exceptions and some caps.

Employees who are quarantined by the government or who have been told by a health care provider to self-quarantine, because of COVID-19, will receive 80 hours of sick pay at their regular rate. Employees who care for a person who must quarantine because of COVID-19 will receive 80 hours of pay at 2/3rds of their regular rate. There are some exceptions and some caps and some of the definitions are, at this point, unclear.

FAMILY AND MEDICAL LEAVE

COVID-19 is now covered by the Family and Medical Leave provisions. That is to say that eligible employees of a covered employer may receive 12 weeks of Family and Medical Leave. The first ten days are unpaid under FMLA but the 80-hour sick pay provision mentioned above would apply, which has the effect of payment for the first two weeks. The remaining FMLA time is paid to the employee at 2/3rds of the regular rate. As with the sick pay provisions, there are some exceptions and some caps and some of the definitions are, at this point, unclear.

Employers of 50 or fewer employees, who are normally exempt from FMLA, are covered by this requirement but may apply for an exemption. However, the application process for the exemption has not been published at this point.

Summary of benefits for employees

This leave benefit is available to all employees who have worked for at least 30 calendar days. Employers are not able to force employees to use their vacation, PTO, sick time or other paid benefit time prior to receiving compensation under the act. However, employees may choose to utilize paid benefit time during the 10-day waiting period.

Employees who work part-time hours or work an irregular schedule are entitled to be paid based on the average number of hours they worked for the six months prior to taking Emergency FMLA. Employees who have worked for less than six months prior to leave are entitled to the employee's reasonable expectation at hiring of the average number of hours the employee would have normally been scheduled to work.

Tax Credits for Employers

Employers are entitled to a refundable tax credit equal to 100% of wages paid to employees, each calendar quarter. You should talk with your accountant to determine the process for receiving this credit.

Unemployment Benefits

This act also provides emergency grants to states for activities related to processing and paying unemployment insurance (UI) benefits, under certain conditions so long as they require employers to provide notification of potential UI eligibility to laid-off workers

Leave provisions of the FFCRA will go into effect on April 2nd. Events are moving at a rapid pace and we will be sure to provide additional information about the **HR 6201 Families First Covid Relief Act** as soon as it becomes available.

Please contact us with questions you may have about resolving employee issues during this unprecedented time, Now, more than ever, "If you have an employment issue, you need to call . . . The Seay Team." We appreciate having you as a friend and client of our firm.

It is our goal to:

1. Help ensure that your business is in compliance with all of the state and federal employment regulations and guidelines which affect your company and your employees;
2. Help eliminate your financial exposure in these areas; and
3. Develop the policies and systems which will help you employ and maintain a satisfied, happy and productive work force.

Seay Management provides Human Resources Management and Labor Relations consulting services. Seay Management does not provide legal advice and does not engage in the practice of law. If you need an attorney, we'll be glad to recommend one to you



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