



Broussard & Company
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What does the new coronavirus legislation mean for working Americans?

The Federal government has passed legislation to help address some of the financial challenges Americans are experiencing as a result of the Coronavirus Pandemic. The legislation gives some relief to workers and their families by creating emergency paid sick leave and paid family leave in the case of school closures. The provisions in this bill become effective April 2, 2020. **Employers with fewer than 500 employees are subject to this legislation.**

Under these bills, employers will offer:

EMERGENCY PAID SICK LEAVE ACT

Two weeks (10 days) of paid sick leave for COVID-19-related reasons for eligible full-time employees. 100% of employer costs are offset for providing this mandated paid sick leave (detailed below). Under the paid sick leave provision, employees who are unable to work (or telework) may take leave if they:

- are subject to a Federal, State, or local quarantine or isolation order related to COVID-19 (100% of pay capped at \$511 per day);
- have been advised by a health care provider to self-quarantine due to concerns related to COVID-19 (100% of pay capped at \$511 per day);
- are experiencing symptoms of COVID-19 and seeking a medical diagnosis (100% of pay capped at \$511 per day);
- are caring for an individual who is subject to a quarantine or isolation order related to COVID-19, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19 (2/3 pay capped at \$200 per day);
- are caring for a son or daughter if the school or place of care for the child has been closed, or childcare provider is unavailable due to COVID-19 precautions (2/3 pay capped at \$200 per day); or
- are experiencing any other substantially similar condition as specified by the Secretary of Health and Human Services (2/3 pay capped at \$200 per day).

Under the sick leave provision, individuals who are working part time or hourly are also eligible for paid sick leave which is to equal the number of hours the employee works on average over a two-week period.

Who is eligible?

All employees of an employer are eligible for the paid sick leave.



EMERGENCY FAMILY AND MEDICAL LEAVE EXPANSION ACT

Ten weeks of paid family leave (12 weeks total) for an employee with a minor child who is unable to work (or telework) in the event of the closure of the child's school or place of care due to COVID-19 precautions. 100% of employer costs are offset for providing this mandated paid sick leave (detailed below). Under the expanded paid family leave provision, the benefits are as follows:

- The first 10 days are unpaid, but the employee can use the 10 days of paid sick leave during this time.
- The benefit must replace at least two-thirds of the employee's wages up to a maximum of \$200 per day (and \$10,000 in aggregate) and reflect the number of hours an employee would otherwise be normally scheduled to work.
- This 12 week period does not extend any time under the FMLA act, it simply adds another reason for leave and specifies payment.
- The Act allows an employer of an employee who is a health care provider or an emergency responder to elect out of providing paid family leave to these employees.
- The Labor Department will have the authority to exempt from the paid family leave requirement small businesses with fewer than 50 employees if the requirement to provide leave would jeopardize the viability of the business.

Who is eligible?

To be eligible for Emergency Family and Medical Leave Expansion Act, the employee must have worked at least thirty calendar days for the employer before they were impacted by COVID-19.

TAX CREDITS FOR PAID SICK AND PAID FAMILY AND MEDICAL LEAVE

- The Act creates a tax credit equal to 100% of both the qualified emergency paid sick leave wages and paid family leave paid in each quarter. The limits of the tax credits mirror the daily and aggregate maximums for employees under the Act.
- If the tax credit exceeds employer taxes, the excess shall be treated as an overpayment and refunded.
- The Act also provides a credit for an employer's increased expense toward qualified health plans because of qualified emergency paid sick leave and paid family leave wages.
- For the self-employed, the Act allows a tax credit for both a "qualified sick leave equivalent amount" and "qualified family leave equivalent amount." These credits are equal to what the individual might otherwise be entitled in emergency paid sick leave benefits or paid family leave benefits for periods of COVID-19-related leave covered by the Act.
- The Act also states any wages paid as emergency paid sick leave or paid emergency family and medical leave are exempt from the employer portion of Social Security and Medicare Taxes.