

What Does the New FFCRA (Families First Coronavirus Response Act) Law Say?

We know that many of you want to understand how the new Families First Coronavirus Response Act (FFCRA) applies to your business. We have created the following summary to provide you general guidance about what is (and is not) required by this new law. We would like to express our gratitude to Mark Bakker and Brittany Clark with Nexsen Pruet in Greenville, South Carolina for their review of our summary.

We would like to remind you that this law does not go into effect for 15 days, so there is time to digest the information and make plans and policies.

As always, we are here to support you.

Please stay healthy,

Families First Coronavirus Response Act

It provides paid sick and family leave for individuals who have health issues related to COVID-19 or have to care for children affected by school closures. It requires employers with fewer than 500 employees to provide paid sick and family leave for affected employees under certain conditions. To cover the costs of both types of mandated leave, employers will receive a quarterly refundable payroll tax credit.

Under the FFCRA, employers must offer:

- **Two weeks (80 hours) of paid sick leave** for COVID-19-related reasons for eligible employees. 100% of employer costs are offset through quarterly payroll tax credits for providing this mandated paid sick leave. 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 have 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).

Full-time and part-time employees are eligible of this benefit. Calculation of pay for part-time employees is calculated using the number of hours the employee works on average over a two-week period.

- **Ten weeks of paid family leave (12 weeks of total family leave)** for an employee unable to work (or telework) because the employee needs to care for a minor child due to school closure or unavailability of childcare in connection with COVID-19. 100% of employer costs are offset through quarterly payroll tax credits for providing this mandated paid family leave. 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 COVID-19 related sick leave or may use any other accrued paid leave under existing employer policy for the 10 day period.
 - The remaining time is paid and the pay benefit must replace at least two-thirds of the employee's regular rate of pay up to a maximum of \$200 per day (and \$10,000 in aggregate) and should reflect the number of hours an employee would otherwise be normally scheduled to work.
 - 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 provide exemptions to certain small businesses with fewer than 50 employees if complying with the leave requirements would jeopardize the viability of the business. The process by which employers may apply for exemption is not yet defined.

Who is eligible?

To be eligible for Paid Family Leave, the employee must have worked at least thirty calendar days for the employer before requesting leave. All employees of an employer are eligible for the paid sick leave.

When do the Paid Family Leave and Emergency Sick Leave provisions expire?

Both provisions expire on December 31, 2020.