



Yesterday the Senate approved H.R. (6201) and last night the President signed the coronavirus bill. The new law becomes effective April 2, 2020. Attached below is a link to review the bill in its entirety.

<https://www.congress.gov/bill/116th-congress/house-bill/6201/text/eh>

Below is a quick summary of the key provisions of the Families First Coronavirus Response Act. There are 3 provisions that are of interest to employers:

- Division C (FMLA expansion),
- Division E (required paid sick leave)
- Division G (tax credits)

HR 6201 requires that employers with fewer than 500 employees must provide up to 12 weeks of job-protected leave.

The Secretary of Labor has the regularity authority to exempt employers with fewer than 50 employees if the provision of paid FMLA would jeopardize the viability of the business as a going concern.

Employers with fewer than 25 employees do not have to reinstate an employee if they are experience significant economic hardship.

DIVISION C – Emergency Family and Medical Leave Expansion Act

This provision modifies FMLA in two important ways:

1. Applies only to employees of employers with fewer than 500 employees and government employers; and
2. Applies to any employee that has been employed for at least 30 days.

The employer must provide all employees 10 days of unpaid sick time to the extent an employee is unable to work (or telework) due to the following:

- To adhere to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus;
- To care for an at-risk family member who is adhering to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus; and
- To care for a child of an employee if the child's school or place of care has been closed, or the child-care provider is unavailable, due to a coronavirus.

The employee may elect to use any accrued vacation, personal or sick leave available to them for the unpaid sick time.

Following 10 days of unpaid leave, the employer must pay the employee for 10 days of leave at not less than 2/3rds of their regular compensation up to \$200.00 a day and \$10,000.00 in the aggregate.

DIVISION E – Emergency Paid Sick Leave Act

Employers with fewer than 500 employees and government employers are required to provide employees two weeks of paid sick leave, paid at the employee's regular rate, to quarantine or seek a diagnosis or preventive care for coronavirus.

Full-time employees are entitled to 2 weeks (80 hours) and part-time employees are entitled to the typical number of hours that they work in a typical two-week period.

- Maximum amount employer must pay employee under this requirement is \$511/day and \$5,110 in the aggregate if leave taken by employee due to (1) federal/state mandated quarantine; health provider advised employee to quarantine; or (3) employee is experiencing COVID-19 symptoms.
- Maximum amount employer must pay employee under this requirement is \$200/day and \$2,000 in the aggregate if leave taken by employee due to (1) caring for a family member that is quarantined or experiencing symptoms; (2) caring for child because school or childcare facility is closed; or (3) employee is experiencing condition specified by Secretary of Health and Human Services.

- Paid Sick Leave under this law must be in addition to any existing paid sick leave policies of the employer and the employer is prohibited from making changes to its existing paid sick leave benefits.

DIVISION G – Tax Credits For Paid Sick And Paid Family And Medical Leave

This section provides a refundable tax credit equal to 100 percent of qualified paid sick leave wages paid by an employer for each calendar quarter. The tax credit is allowed against the tax imposed by section 3111(a) (the employer portion of Social Security taxes). Qualified sick leave wages are wages required to be paid by the Emergency Paid Sick Leave Act.

The section makes a distinction between qualified sick leave wages paid with respect to employees who must self-isolate, obtain a diagnosis, or comply with a self-isolation recommendation with respect to coronavirus. For amounts paid to those employees, the amount of qualified sick leave wages taken into account for each employee is capped at \$511 per day. For amounts paid to employees caring for a family member or for a child whose school or place of care has been closed, the amount of qualified sick leave wages taken into account for each employee is capped at \$200 per day. The aggregate number of days taken into account per employee may not exceed the excess of 10 over the aggregate number of days taken into account for all preceding calendar quarters.