

*Families First Coronavirus Response Act*

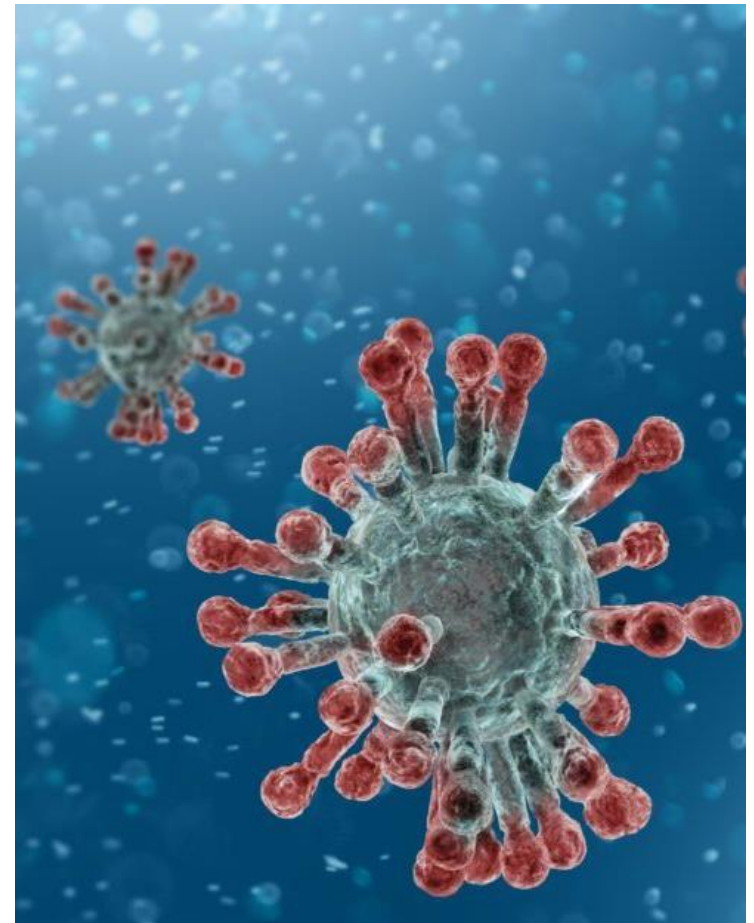
HR 6201 &  
Employment Changes

**BARRETT, LINER & BUSS, LLC**

Strategic Approach, Exceptional Service

# Coronavirus (COVID-19)

- Infection spread through close contact, coughing and sneezing, as well as possibly through touching surfaces that have the virus on it
- Believed that it is most contagious when individuals are most symptomatic, although reports indicate it may spread when people do not show symptoms
- Symptoms include: fever, cough, and shortness of breath
- 2-14 day incubation period
- No vaccination to prevent COVID-19



# Prevention Tips for Your Workforce

- Practice good hygiene (cover coughs, avoid close contact with those who are sick, avoid touching your eyes, nose and mouth, wash hands with soap and water)
- Frequently clean and disinfect surfaces with household cleaning spray and wipes
- Facemasks
  - CDC does not recommend that people who are well wear a facemask
  - facemasks should be used by people who show symptoms to help stop the spread of the virus
  - facemasks are crucial for health workers and people taking care of someone in close settings (home/healthcare facility)



# Families First Coronavirus Response Act

- Passed Senate and signed by President Trump – 3/18/2020
- Covered Employers
  - Amends FMLA – instead of 50+ employees – applies to ***employers with 500 or fewer employees***
    - **INCLUDES public employers, regardless of size**
      - Employer of an employee who is a healthcare provider or an emergency responder may elect to exclude any such employee from receiving public health emergency leave.
  - Authorizes Sec. of Labor to exempt businesses with less than 50 employees
- Two key components: Paid Family Leave & Paid Sick Time
- Provisions will sunset Dec. 31, 2020
- Tax credits applicable to private employers do not extend to public employers



# Paid Sick Time (PSL)

- Full-time employees would receive 80 hours (2 weeks) of Paid Sick Leave; part-time employees prorated amount
- No year-end carryover
- Reasons for Use – when employees cannot work due to:
  - (1) Is subject to a federal, state, or local COVID-19 quarantine or isolation order;
  - (2) Has been advised by a health care provider to self-quarantine because of COVID-19;
  - (3) Is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
  - (4) Is caring for an individual subject to or advised to quarantine or isolation;
  - (5) Is caring for a son or daughter whose school or place of care is closed, or childcare provider is unavailable, due to COVID-19 precautions; or
  - (6) Is experiencing substantially similar conditions as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.



# Paid Sick Time (PSL)

- **Compensation of PSL**
  - Reasons (1) - (3) will be paid at 100% of employee's regular rate of pay;
  - Reasons (4) - (6) can be paid at 2/3 of employee's rate of pay.
  - Pay can be capped at \$511 per day and \$5,110 in the aggregate for covered reasons (1) - (3); and \$200/day and \$2,000 in the aggregate for covered reasons (4) - (6)
- **Use of PSL**
  - An employee may first use PSL for covered reasons before using any employer provided paid leave
  - An employer may not require an employee to use other paid leave provided by the employer to the employee before the employee uses



# Paid Family Medical Leave (PFML)

- Employees who have worked **30+ days** are eligible
- Allows employees to take FMLA for **a qualifying need related to a public health emergency** (e.g., COVID-19) where the employee is unable to work (or telework) because of need to care for minor children due to closures of school or place of care, or their care provider is unable, due to a public health emergency.
  - “Public health emergency” = emergency with respect to COVID-19 declared by federal, state or local authority.
- **10 days** of unpaid public health emergency leave
  - During that time, employees can receive paid sick time at no less than 2/3 rate of pay;
  - After 10 days, employees can receive up to 10 weeks of PFML at 2/3 their regular rate of pay (may be capped at \$200/day/\$10,000 aggregate)



# Payroll Tax Credits

- Act provides for a refundable tax credit applicable against the employer's portion of Social Security or Railroad Retirement Tax Act (RRTA) tax for amounts paid under those programs
- Credit can be as much as 100% of the compensation paid for sick leave and FMLA leave under the Act
- Different caps on wages apply from \$511 per day (sick leave) to \$200 per day (FMLA leave)
- Credit is refundable if it exceeds the total amount of Social Security Taxes owed by the Employer
- Self-employed are eligible for this credit due to lost income or employee wages
  - Guidance is provided in the Act regarding how to calculate lost income





# Medical Coverage for COVID-19

- HR 6201
  - Applicable to all health plans
  - Covers testing and testing-related admissions
- Telemedicine
  - Expanding to employees not enrolled in major medical plan



# Employee Benefits

- Life insurance
  - inclusion if not actively at work due to WFH or furlough
- Dependent Care FSA and Mid-Year Election Changes
  - E.g., as a result of change in dependent care needs due to closure of daycare center or school, parent's change in employment status, loss or gain of free dependent care
  - DC FSA permitted election change events are broad and liberally interpreted

# HR 6201

[For the full HR 6201 bill, click here.](#)

# HR 6201

For any further questions regarding employee benefits and HR 6201, please contact your account manager/benefits administrator via email or our office by phone.

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