



Coronavirus Emergency Relief Act for Employers and Families

What we know so far:

The Families First Coronavirus Response Act (H.R. 6201), signed Wednesday, March 18, 2020, provides a comprehensive financial aid package as the coronavirus outbreak continues to worsen in the US.

In the coming weeks, federal regulatory agencies, including the Department of Labor (DOL) and Health and Human Services (HHS), will provide guidance on implementation of the new requirements. In the meantime, employers and advisors must rely on a good faith interpretation of the act's text.

This new legislation impacts businesses and families across the country and includes extensive relief for businesses with fewer than 500 employees. The legislation guarantees the following:

1

Free coronavirus testing

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Paid sick, family, and medical leave

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Enhanced unemployment insurance

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Expanded food security initiatives

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Increased Federal Medicaid funding

Legislation goes into effect April 2, 2020, expiring December 31, 2020.



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While the new law contains many significant emergency provisions, there are several sections that apply exclusively to small business (fewer than 500 employees). For qualifying employers, these features could have the biggest impact on your business, your employees and your tax plans:

Emergency Paid Sick Leave

Requires qualifying employers to provide two weeks of paid sick leave to employees affected by coronavirus (for a number of hours determined by an employee's full- or part-time status). Emergency sick leave is limited to:

- *\$511 per day/\$5,110 total for employees that are in quarantine or seeking a diagnosis for coronavirus;*
- *\$200 per day/\$2,000 total for employees who care for a quarantined family member or to provide childcare.*

Emergency Family and Medical Leave Expansion Act

Provides employees the right to take up to 12 weeks of job-protected leave if the employee or a family member is in quarantine or if a child's school or place of care is closed due to the coronavirus;

Requires employers to provide no less than 67% of the employee's usual pay, up to \$200 per day, \$10,000 in total;

Applies after employees take the provided two weeks of emergency paid sick leave.

Tax Credits for Emergency Paid Sick and Emergency Paid Family and Medical Leave

Payroll Credit for Required Paid Sick Leave: a refundable tax credit for 100 percent of qualified paid sick leave wages paid by an employer, allowed against the employer portion of Social Security Taxes.

Tax Credit for Sick Leave for Self-Employed Individuals: a refundable tax credit for 100 percent of qualified sick leave wages for self-employed individuals in quarantine for coronavirus, or for 67 percent of qualified wages when caring for a quarantined family member or child whose school or place of care was closed due to coronavirus. This credit is allowed against income taxes.

Payroll Credit for Emergency Paid Family Leave: a refundable tax credit for 100 percent of qualified family leave wages paid by an employer, allowed against the employer portion of Social Security Taxes.

Tax Credit for Family Leave for Self-Employed Individuals: a refundable tax credit equal to 100 percent of qualified family leave wages for self-employed individuals.

These tax credits have qualifications, guidelines, and reporting requirements that may evolve rapidly as the situation continues. We are learning about this new act in real-time and will update your Decisely Help Center as we receive more information; we encourage you to check there.