

What does the new coronavirus legislation mean for working Americans?



The Federal government has been working to pass a Bill to help address some of the financial challenges Americans are experiencing as a result of the Coronavirus Pandemic. The Bill, which applies to employers with fewer than 500 employees, has gone through several iterations as it was passed from House to Senate. It addresses the need for temporary paid employee sick and family leave, as well as other support programs to help individuals and families cope with COVID-19 disruptions.

Today, the Families First Coronavirus Response Act passed the US Senate by a vote of 90-8 without amendment. It will be enrolled tonight and will go to the President for signature. We anticipate it will be signed within 24 hours. The bill will go into effect within 15 days of its enactment.

How does the current iteration of the bill work?

As it stands now, the bill 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 bill requires employers with up to 500 employees to provide paid sick leave and paid family leave to their employees. To cover the costs of the leave, the government will give employers a refundable payroll tax credit as well as a refundable income tax credit for self-employed individuals.

Under this bill, employers must offer:

- **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. 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.

- **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 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 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 Paid Family Leave, the employee must have worked at least thirty calendar days for the employer before they were impacted by COVID-19. 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.

What's next?

Guardian continues to stay on top of all new and evolving legislation. When the bill is finalized, we will provide you with more details on what that means to you and the potential impact to you and your employees.

Congress and the President are also working on another bill and we could see them revisit longer-term paid leave, or even larger businesses, as the COVID-19 response continues to evolve.

For more details on the impact of COVID-19 on Guardian products refer to our [FAQs](#).

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