

COVID-19 RESPONSE

CARES ACT LABOR PROVISIONS

LIMITATION ON PAID LEAVE The Act clarifies the limitation on employer payment amounts for expanded paid family and medical leave shall not exceed \$200 per day and \$10,000 in the aggregate per employee.

EMERGENCY PAID SICK LEAVE ACT LIMITATIONS The Act clarifies the limitation on employer payment amounts for emergency paid sick leave shall not exceed \$511 per day and \$5,110 in the aggregate for each employee when:

- The employee is subject to a federal, state or local quarantine or isolation order related to COVID-19
- The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19
- The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis

In addition, the Act clarifies the limitation on employer payment amounts shall not exceed \$200 per day and \$2,000 in the aggregate for each employee, when:

- The employee is caring for an individual who is subject to a federal, state or local quarantine order or advised by a health care provider to self-quarantine due to concerns related to COVID-19.
- The employee is caring for a son or daughter of such employee if the school or place of care of the son or daughter is closed, or the childcare provider of such son or daughter is unavailable, due to COVID-19 precautions.
- The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

UNEMPLOYMENT INSURANCE The Act ensures that applications for unemployment compensation and assistance with the application process are accessible to the extent practicable in at least two of the following: in person, by phone or online.

PAID LEAVE FOR REHIRED EMPLOYEES The Act allows employees who were laid off by their employer after March 1, 2020, who had worked for the employer for not less than 30 calendar days of the last 60 calendar days prior to their layoff and were rehired by that employer, to be eligible for expanded paid family leave (if they are unable to work or telework as a result of the closure of their under-age-18 child's school).

ADVANCE REFUNDING OF CREDITS The Families First Coronavirus Response Act is amended to include the ability to request a cash advance from the IRS of payroll tax credits allowed for required sick leave and expanded paid family leave and/or have refundable credits under this section calculated through the end of the most recent payroll period in the quarter. The Treasury will provide forms and instructions on how to claim the credit. Additionally, Treasury will waive any penalties for failure to make a payroll tax deposit if such failure was due to the anticipation of the credits provided by this section.

If you need assistance with this provision, we can assist in developing a model that will allow us to quantify potential credit amounts and refundable amounts. Also, can assist with applying for advances of those credits.

EXPANSION OF DOL AUTHORITY TO POSTPONE CERTAIN DEADLINES The Act gives the Department of Labor authority to postpone certain deadlines in the event of a public health emergency declared by the Secretary of Health and Human Services.

SINGLE EMPLOYER PLAN FUNDING RULES A provision in the Act delays the deadline to make required annual or quarterly funding contributions to single-employer defined benefit pension plans to January 1, 2021. Additionally, the amount of each minimum required contribution shall be increased by interest accruing for the period between the original due date for the contribution and the payment date at the effective rate of interest for the plan for the plan year. This will delay timing of required funding of contributions for single employer defined benefit pension plans.

March 28, 2020