

Paid Leave

1. Who qualifies for paid sick leave?

- Employers with fewer than 500 employees must provide paid sick leave for up to:
 - Two weeks (up to 80 hours) of paid sick leave at the employee's regular rate of pay where the employee is unable to work because the employee is quarantined, or is seeking a diagnosis/preventative care for coronavirus.
 - Two weeks (up to 80 hours) of paid sick leave at 2/3 the employee's regular rate of pay because the employee is unable to work because of a need to care for an individual quarantined, or to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.
- Full-time workers receive 80 hours of paid sick leave, and part-time workers receive time equal to the average number of hours they work in a given two-week period.

2. Who qualifies for paid family and medical leave (FMLA)?

- Employers with fewer than 500 employees must provide paid FMLA for:
 - Up to an additional 10 weeks of paid expanded family and medical leave at 2/3 the employee's regular rate of pay where an employee is unable to work due to a need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

3. I've just rehired my employees. Do they qualify for paid leave?

- An employee laid off by an employer on March 1st or later will have access to paid leave and FMLA leave in certain instances if they are rehired by their employer.

4. Who covers the cost of paid leave?

- Business will be reimbursed through a refundable tax credit equal to 100% of the qualified paid sick leave wages paid by an employer, per calendar quarter.

5. Which businesses are exempt?

- The Labor Department will exempt small businesses with fewer than 50 employees from this new leave requirement if offering such leave it would put the business in jeopardy. The Secretary of Labor has the ability to exempt.

6. What if I am self-employed?

- The bill establishes comparable sick leave and family leave income tax credits for self-employed workers, to cover the same coronavirus-related circumstances, days of leave, and wage amounts as the employer credits. The self-employed tax credits are also 100% refundable.

7. I own a business, and I'm concerned my cash flow won't allow me to pay upfront for the leave requirements. Is there any relief for my business?

- Employers can receive an advanced tax credit from the Treasury instead of waiting to be reimbursed on the back end.

8. Can I take 80 hours of paid sick leave for my self-quarantine and then another amount of paid sick leave for another reason?

- No. You may take up to two weeks—or ten days—(80 hours for a full-time employee, or for a part-time employee, the number of hours equal to the average number of hours that the employee works over a typical two-week period) of paid sick leave for any combination of qualifying reasons. However, the total number of hours for which you receive paid sick leave is capped at 80 hours.

9. When is the effective date for leave?

- Paid leave provisions of this law are effective April 1, 2020. They are not retroactive.

10. When does this paid leave provision expire?

- Requirements expire after December 31, 2020.

11. What if it takes me a little longer to get my paid leave up and running?

- The Department of Labor will be issuing a temporary non-enforcement policy that provides a period of time for employers to come into compliance. Under this policy, Labor will not bring an enforcement action against any employer

for violations so long as the employer has acted reasonably and in good faith to comply with the Act. Labor will instead focus on compliance assistance during the 30-day period.

Small Business Relief

12. How is a small business going to be defined (i.e. revenue, # of employees, or some other metric) under the Payment Protection Program?

- Small businesses are defined as businesses with 500 employees or less or businesses who meet the current SBA size standards. 501(c)3 non-profits, veteran's organizations, tribal businesses, sole-proprietors, independent contractors, and other self-employed individuals are also included.
- Additionally, it allows businesses with less than 500 employees who are affiliated with a larger business in the hospitality and restaurant industries, franchises who are approved on the SBA's Franchise Directory, and small businesses who receive financing through the Small Business Investment Company (SBIC) program to access the loans.
- Eligible nonprofits would not receive assistance if they are affiliated with a larger entity.

13. How much will businesses be allowed to borrow under the Payment Protection Plan? How is the total borrowed amount going to be determined?

- Loans are capped at \$10 million, but businesses are eligible to borrow 250% of their monthly payroll expenses.
- The bill would waive all borrower and lender fees, the credit elsewhere test, and collateral and personal guarantee requirements.

14. What expenditures are eligible for loan forgiveness?

- Borrowers are eligible for loan forgiveness equal to the amount spent by the borrower for 8 weeks on payroll costs, interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020.
- Eligible payroll costs do not include compensation above \$100,000 in wages.
- Allows forgiveness for additional wages paid to tipped workers.

15. When will banks have the specifics and start processing applications for small business assistance?

- Loans will be provided through current SBA-certified 7(a) lenders, and the Treasury would quickly authorize additional lenders.

16. Does my business have to show any kind of loss of revenue to get money from the banks? We may not have actually seen a loss of revenue at the time of filling out the application.

- This bill requires eligible borrowers to make a good faith certification they have been impacted by COVID-19 and will use the funds to retain workers and maintain payroll and other debt obligations.

17. Can my business receive a 7a loan and an EIDL loan?

- Borrowers cannot not receive duplicative funds for the same uses from another SBA program. However, a borrower can refinance an EIDL into a 7a loan beginning on January 31, 2020 and ending on the date on which loans are made available (upon passage of this bill).

18. How can I get money while I'm waiting for an EIDL loan?

- The bill establishes an Emergency EIDL Grant at the SBA to allow an eligible entity who has applied for an EIDL loan to request an advance on that loan, of not more than \$10,000, which will be distributed by the SBA in three days. Applicants will not have to repay advance payments, even if subsequently denied for an EIDL loan.

- The loan may be used for providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses.

19. Are businesses disqualified from receiving certain stimulus provisions if they already released the employees?

- No, small business assistance is retroactive to February 15 so they can receive assistance.

20. Am I required to hire my staff back?

- No, but small business loan forgiveness is tied to maintaining employees. A reduction in the number of employees will reduce the amount of loan forgiveness for that business. If businesses do not want to take a loan, they can receive a payroll tax credit (50% of wages, capped at \$10,000 per employee)—this is called an employee retention credit.

21. Is there a payroll tax deferment?

- Businesses can defer payroll tax payment for the next two years, with half due by December 31st 2021 and the other half by December 31st, 2022.

22. What actual payroll taxes are going to be included in the deferment?

- The 6.2% Social Security tax on employee wages.

23. What other tax-related relief can my business benefit from?

- The amount of interest expense businesses are allowed to deduct on their tax returns increases from 30% to 50% of taxable income (with adjustments) for 2019 and 2020.
- Businesses, especially in the hospitality industry, can write-off costs associated with improving facilities instead of having to depreciate those improvements over the 39-year life of the building.
- Net Operating Losses arising in a tax year beginning in 2018, 2019, or 2020 can be carried back five years. This provision also temporarily removes the

taxable income limitation to allow an NOL to fully offset income. These changes will allow companies to utilize losses and amend prior year returns, which will provide critical cash flow and liquidity.

- Alternative Minimum Tax credits can be recovered even faster now, permitting companies to claim a refund now and obtain additional cash flow during the COVID-19 emergency.

24. What other avenues are available to help my business?

- Small and medium sized businesses are eligible for the Main Street Business Lending Program offered by the Federal Reserve. This program at the Fed will allow you to access credit to maintain operations and capacity during the pandemic. This program is open to investment grade companies and will serve as a bridge loan for four years.

25. Will corporate federal tax payments be deferred without penalty and interest?

- Corporate tax deferments are not included in the COVID-19 relief package.

Individual Relief

26. Do I still need to file my taxes on April 15th?

- Tax filing deadline has been extended to July 15th.

27. Is there any relief for individuals? Are any kind of stimulus payments to individuals?

- Help in the form of recovery checks to individuals will be provided by direct deposit or paper check format.
- \$1,200 will be given to individuals with income less than \$75,000, or \$112,500 in the care of “head of household” filing status. Joint filers with gross income under \$150,000 will receive \$2,400. Those amounts increase by \$500 per child.

28. If there are any thresholds on stimulus payments, what are they and how are they phased out?

- The checks are reduced by \$5 for each \$100 over the individual, head of household, and joint-filers salary thresholds listed in the previous answer above. The cash amount is totally phased out for incomes exceeding \$99,000 (single), \$136,500 (head of household), and \$198,000 (joint filers).

29. I've been furloughed by my employer, and I haven't been laid off. Do I qualify for unemployment assistance?

- Yes. You can stay on your company's benefit plan, keep your health insurance and still be eligible for unemployment weekly benefits paid by your state.

30. I am self-employed/freelancer/gig worker. What unemployment benefits do I qualify for?

- The new Pandemic Unemployment Assistance will cover those not traditionally eligible for unemployment benefits (self-employed, independent contractors, those with limited work history, and others) who are unable to work as a direct result of the coronavirus public health emergency. States will determine the calculation of these benefits.

31. How much will I receive in unemployment assistance?

- You qualify for your state's unemployment assistance compensation. And in addition, each recipient of unemployment insurance or Pandemic Unemployment Assistance will receive an additional \$600 per week for up to four months.

32. My employer reduced my hours. Am I eligible for some unemployment compensation?

- Yes. A new "short-time" compensation program will be created to provide those eligible employees whose hours have been reduced, but they haven't been laid off by their employer. This will be a pro-rated unemployment benefit.

33. When do these unemployment assistance programs expire?

- December 31, 2020.