

## H.R. 6201 NDA COVID-19 Issue Alert

Below is a summary of H.R. 6201, the Families First Coronavirus Response Act

### **Emergency Paid Sick Leave**

- Requires employers with fewer than 500 employees to provide full-time employees two weeks (80 hours) of paid sick leave (pro-rated for part-time employees), paid at the employee's regular rate, limited to \$511 per day, due to the following circumstances:
  - The employee is under a mandatory federal, state or local quarantine related to COVID-19;
  - The employee has been advised by a health care provider to self-quarantine because of COVID-19; and
  - The employee is experience symptoms of COVID-19 and is seeking a medical diagnosis.
- Requires employers with fewer than 500 employees to provide full-time employees two weeks (80 hours) of paid sick leave (pro-rated for part-time employees), paid at two-thirds the employee's regular rate, limited to \$200 per day, due to the following circumstances:
  - The employee is caring for an individual subject to a mandatory or advised quarantine related to COVID-19;
  - The employee is caring for a child whose school or place of care has closed due to COVID-19; and
  - The employee is experiencing substantially similar conditions as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.
- Employees are immediately eligible for this benefit.
- Businesses subject to the requirement are entitled to a fully refundable tax credit every quarter equal to 100% of the qualified sick leave wages paid by the employer. The tax credit is applied against employer Social Security taxes, but employers are reimbursed if their expenses for qualified sick leave exceed the taxes they would owe. The Secretary of the Treasury is provided with regulatory authority to provide relief should cash flow issues occur.
- The paid sick leave provision would be in addition to existing sick leave benefits already offered by the employer. Once this legislation is enacted an employer may not make changes to its sick leave policy.
- The Secretary of Labor is authorized to exempt small businesses with fewer than 50 employees from these requirements if it would jeopardize the viability of their business.
- These provisions go into effect 15 days after enactment and expire on December 31, 2020.

### **Emergency Family and Medical Leave**

- Requires employers with fewer than 500 employees and government employers, who have been on the job for at least 30 days, to provide up to 12 weeks of job-protected leave under the Family and Medical Leave Act for a "qualifying need" related to a public health emergency. A "qualifying need" applies to circumstances where an employee is:
  - Unable to work, onsite or remotely, due to a need to care for a minor child if the child's school or place of child care has been closed or is unavailable due to a public health emergency.
- After 10 days, during which time the employee can take unpaid or paid leave (if available), employees will receive a benefit from their employers that will be no less than two-thirds of the

employee's normal pay. An employee can choose to substitute accrued vacation, personal, or sick leave, but an employer may not require an employee to do so. Qualified paid family leave benefits are capped at \$200 per day and \$10,000 total.

- Businesses will be entitled to a fully refundable tax credit equal to 100% of the qualified paid family leave wages paid by the employer every quarter. The tax credit is applied against employer Social Security taxes, but employers are reimbursed if their expenses for qualified paid family leave exceed the taxes they would owe. The Secretary of the Treasury is provided with regulatory authority to provide relief should cash flow issues occur.
- The Secretary of Labor is authorized to exempt small businesses with fewer than 50 employees from these requirements if it would jeopardize the viability of their business. The requirements to restore the employee to their position after the paid leave is taken do not apply to businesses with less than 25 employees if the position no longer exists due to operational changes caused by the public health emergency. Employers with fewer than 50 employees are exempt from civil actions brought by employees for violations of this section.
- These provisions go into effect 15 days after enactment and expire on December 31, 2020.

### **Emergency Unemployment Insurance Provisions**

- Provides \$1 billion in 2020 for emergency grants to states for activities related to processing and paying unemployment insurance (UI) benefits, under certain conditions. \$500 million would be used to provide immediate additional funding to all states for staffing, technology, systems, and other administrative costs, so long as they met basic requirements about ensuring access to earned benefits for eligible workers. Those requirements are as follows:
  - Require employers to provide notification of potential UI eligibility to laid-off workers;
  - Ensure that workers have at least two ways (for example, online and phone) to apply for benefits;
  - Notify applicants when an application is received and being processed and if the application cannot be processed, provide information to the applicant about how to ensure successful processing.

Members who would like to take action now can do so by [clicking here](#).