

# THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT: A SUMMARY FOR EMPLOYERS

COURTESY OF:

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*On March 18, 2020, the President signed the Families First Coronavirus Response Act ("FFCRA") into law. The new law has important, though temporary, implications for employers and their employees.*

## WHAT NEW REQUIREMENTS ARE IN THE FFCRA FOR EMPLOYERS?

*The FFCRA requires employers to provide **up to two weeks of paid "sick leave"** to any employee directly affected by COVID-19.*

- The paid leave must be at the employee's **full regular rate of pay** if the leave is based on any of the following reasons:
  - The employee is unable to work because the employee is under quarantine by order of the federal, state, or local government, or under the advice of the employee's healthcare provider; or
  - The employee is experiencing symptoms of COVID-19 and is seeking a medical diagnosis.
- The paid leave can be **two-thirds of the regular rate of pay** if the leave is based on any of the following:
  - The employee is unable to work because of a need to care for someone else who is subject to a quarantine order;
  - The employee has a need to care for a child under 18 years of age whose school or daycare is closed or unavailable due to reasons related to COVID-19; or
  - The employee is experiencing a substantially similar condition as defined by federal regulations (regulations expected in April 2020).

*For an employee who has been working for the employer **for at least 30 days**, the FFCRA requires **up to 10 additional weeks of paid leave** if the employee is unable to work due to a *bona fide* need to care for a child under 18 years of age whose school or daycare is closed or unavailable for reasons related to COVID-19. The rate of pay is required to be at least **two-thirds the employee's regular rate of pay**.*

## WHICH EMPLOYERS ARE COVERED BY THE FFCRA?

- The FFCRA's paid-leave requirements only apply to businesses with **less than 500 employees**.
- Small businesses employing **less than 50 employees** may be exempt from the requirement to provide paid leave based on school and daycare closures if these leave requirements would "jeopardize the viability" of the business. Regulations relating to these possible exemptions are expected in April 2020.

## WHAT ARE THE MAXIMUM PAY REQUIREMENTS?

- If an employee is eligible for paid leave at the employee's **full regular rate of pay**, the FFCRA only requires a maximum of **\$511 per day and \$5,110 total over a two-week period**.
- If an employee is eligible for paid leave at **two-thirds the regular rate of pay**, the employer is only required to pay a maximum of **\$200 per day**. The total maximum required payment for the employee's **initial two weeks of sick leave is \$2,000**. If the employee is eligible for **the additional ten weeks of family leave, the total maximum required payment is \$12,000 over the total twelve-week period**.

## IS THIS A PERMANENT CHANGE?

- No. The paid leave requirements are applicable only to the current COVID-19 pandemic, and the FFCRA explicitly states that the requirements will expire after December 31, 2020.

## ARE THERE ANY AVAILABLE TAX CREDITS?

- The FFCRA provides a federal tax credit for any employer required to provide paid sick or family leave related to COVID-19. The employer may claim an amount equal to the relevant daily maximum required wage amount as to each employee.